



*Strengthening National Comprehensive  
Agricultural Public Expenditure  
in Sub-Saharan Africa*

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## CHAD

### **PUBLIC EXPENDITURE REVIEW IN THE AGRICULTURAL, RURAL DEVELOPMENT, AND FOOD SECURITY SECTOR**

**MINISTRY OF AGRICULTURE AND ENVIRONMENT**

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## TABLE OF ACRONYMS AND ABBREVIATIONS

AFD	Administrative and Financial Directorate
AfDB	African Development Bank
AMP	Agricultural Master Plan
APO	Agricultural Producers' Organizations
ASTI	Agricultural Science and Technology Indicators
AU	African Union
BADEA	Arab Bank for Economic Development in Africa ( <i>Banque Arabe pour le Développement Économique en Afrique</i> )
CAADP	Comprehensive Africa Agriculture Development Program
CEMAC	Central African Economic and Monetary Community ( <i>Communauté Économique et Monétaire de l'Afrique Centrale</i> )
CENSAD	Community of Sahelian-Saharan States ( <i>Communauté des États Sahélo-Sahariens</i> )
CES	Computerized Expenditure System
CFAF	CFA Franc
CGIAR	Consultative Group for International Agricultural Research
CILSS	Permanent Interstate Committee for Drought Control in the Sahel ( <i>Comité Permanent Inter-État de Lutte contre la Sécheresse au Sahel</i> )
COFOG	Classification of Government Occupations
DAF	Directorate of Financial Management ( <i>Direction des Affaires Financières</i> )
DEP	Directorate of Research and Forecasts ( <i>Direction des Études et de la Prévision</i> )
DEPP	Directorate of Economic Planning and Programming
DGREP	Directorate General for External Resources and Programming
DIC	Directorate for International Cooperation
DP	Development Partner
ECCAS	Economic Community of Central African States
EU	European Union
FAO	Food and Agriculture Organization
GDP	Gross Development Product
GoC	Government of Chad
GS	General Secretariat
GTFP	Group of Technical and Financial Partners
HDI	Human Development Index
ICT	Information and Communication Technologies
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
INRAD	National Institute for Agronomic Research and Development ( <i>Institut National de Recherche Agronomique pour le Développement</i> )
INSEED	National Institute for Statistics and Demographic Research ( <i>Institut National de la Statistique et des Études Économiques et Démographiques</i> )

IRED	Livestock and Development Research Institute ( <i>Institut de Recherche de l'Élevage et du Développement</i> )
ITRAD	Agronomic Development Research Institute of Chad ( <i>Institut Tchadien de Recherche Agronomique pour le Développement</i> )
LFI	Initial Budget Law ( <i>Loi de Finance Initiale</i> )
LFR	Supplementary Budget Law ( <i>Loi de Finance Rectificative</i> )
M&E	Monitoring and Evaluation
MFI	Microfinance Institution
MICS	<i>Multiple Indicator Cluster Survey</i>
MIS	Management Information System
MoAE	Ministry of Agriculture and Environment
MoAI	Ministry of Agriculture and Irrigation
MoEF	Ministry of Environmental and Fishery Resources
MoF	Ministry of Finance and Budget
MoFA	Ministry of Foreign Affairs
MoIT	Ministry of Infrastructure and Transportation
MoLH	Ministry of Livestock and Hydraulics
MoPDAP	Ministry of Pastoral Development and Animal Production
MoPIC	Ministry of Planning and International Cooperation
MoSP	Ministry of Spatial Planning, Decentralization, and Local Freedoms
MoT	Ministry of Transportation
MoW	Ministry of Rural and Urban Water Supplies
MTEF	Medium-Term Expenditure Framework
NBA	Niger Basin Authority
NDP	National Development Plan
NEPAD	New Economic Partnership for African Development
NFSP	National Food Security Program
ONASA	National Food Security Agency ( <i>Office National de Sécurité Alimentaire</i> )
ONDR	National Rural Development Agency ( <i>Office National de Développement Rural</i> )
PAMFIP	Action Plan for the Modernization of Public Finances ( <i>Plan d'Action pour la Modernisation des Finances Publiques</i> )
PAO	Professional Agricultural Organizations
PASAO	Producer Organization Support Project ( <i>Programme d'Appui aux Services Agricoles et Organisations Paysannes</i> )
PIDR	Rural Development Support Program ( <i>Plan d'Intervention pour le Développement Rural</i> )
PNDE	National Livestock Development Program ( <i>Plan National de Développement de l'Élevage</i> )
PNISR	National Rural Sector Investment Program ( <i>Plan National d'Investissement du Secteur Rural</i> )
PPO	Public Procurement Office
PROADEL	Local Development Program Support Project ( <i>Programme de Développement Local</i> )

PRS	Poverty Reduction Strategy
PTIP	Three-Year Public Investment Program ( <i>Plan Triennal d'Investissement Public</i> )
RD	Regional Delegation
SIGMP	Integrated Public Procurement Management System ( <i>Système Intégré de Gestion des Marchés Publics</i> )
SIGNET	Integrated Economic Management System for Chad ( <i>Système Intégré de Gestion Nationale de l'Économie Tchadienne</i> )
SODELAC	Lake Chad Development Corporation ( <i>Société de Développement du Lac Tchad</i> )
TGP	Paymaster General ( <i>Trésorier Payeur Général</i> )
TTL	Task Team Leader
UNDP	United Nations Development Program
USD	United States Dollar
WSMP	Water and Sanitation Master Plan

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A Technical Steering Committee was formed under the aegis of the Ministry of Agriculture and Irrigation (MoAI) and charged with leading the participants. This committee brought together the focal points of the *technical ministries of the agricultural sector*: MoAI, Ministry of Pastoral Development and Animal Production (MoPDAP), Ministry of Environmental and Fishery Resources (MoEF), and the Ministry of Rural and Urban Water Supplies (MoW),<sup>1</sup> the *economic ministries*: Ministry of Finance and Budget (MoF) and Ministry of Planning and International Cooperation (MoPIC), and representatives from the private sector and civil society. The Committee held several working meetings under the direction of Mrs. Khadidja Abdelkader, CAADP Focal Point for the Republic of Chad, in order to orient and guide the work of the consultants. A Launch Workshop was organized in the MAEP in November 2013 and presided over by the General Secretary of the MoAI with the participation of the Resident Representative of the World Bank, representatives of the Government services involved, civil society, and Development Partners (DP). Several other meetings were held as the consultants' work progressed, notably in March 2014 to review the second mission and in early May to discuss the agricultural public expenditure database. Finally, a validation workshop was held on September 9-10, 2014. This workshop involved all of the stakeholders from the Government, the DPs, the private sector, and civil society.

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<sup>1</sup> In April 2014, the four sectoral ministries were reorganized as follows: (i) the MoAI and the MoEF were merged to form the Ministry of Agriculture and Environment (MoAE); and (ii) the MoDAP and the MoW were merged to form the Ministry of Livestock and Hydraulics (MoLH).



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## EXECUTIVE SUMMARY

- i. Within the context of the CAADP, the Government of Chad (GOC) wished to undertake a review of agricultural public expenditures in order to draw lessons from past budget implementation in this sector with a view to improving future program performance. Following a request by the Ministry of Agriculture and Irrigation (MoAI), the NEPAD Planning and Coordination Agency gave Chad its backing for this review. This process was undertaken by the Program for Strengthening National Comprehensive Agricultural Public Expenditure in Sub-Saharan Africa, co-financed by the Bill and Melinda Gates Foundation and the CAADP Multi-Donor Trust Fund. This program, which is implemented by the World Bank, aims to improve the impact of the limited public resources available to governments in Sub-Saharan Africa in order to foster agricultural development and combat poverty in rural areas, where most of the poor in these countries, notably Chad, live.
- ii. This study follows and builds upon a number of similar studies conducted in recent years on public expenditure management, in particular in Chad the Action Plan for the Modernization of Public Finances (PAMFIP). However, these studies have focused on national budget management as a whole and none to date has looked at the agricultural sector specifically. Hence the opportunity to undertake the present Diagnostic Review of Basic Public Expenditure in the Agricultural Sector in Chad.
- iii. This Review aims to:
  - a. Gain a better understanding of the country's performance in the context of the 2003 Maputo Declaration;
  - b. Draw lessons from the past in terms of budget implementation in the agricultural sector in order to improve the performance of future programs;
  - c. Increase the GOC's and the Development Partners' (DP) understanding of the sector's absorption capacity so that an appropriate decision can be made to increase the financial resources allocated to agricultural development; and
  - d. Contribute to ownership of the public expenditure review process within the two sector ministries, the Ministry of Agriculture and Environment (MoAE) and the Ministry of Livestock and Hydraulics (MoLH) with the more general goal of strengthening their capacity in terms of data collection and monitoring and evaluation (M&E).
- iv. Unlike other countries where the process of agricultural development is underway, Chad is an outlier in that: (i) foreign aid is in recovery mode after the socioeconomic troubles of recent years, and (ii) in-depth reforms to the functioning of the State are ongoing. In this context of change, it is crucial to draw lessons from past budget implementation by internalizing the analytical process as a vital tool for success in implementing the new National Rural Sector Investment Program (PNISR, 2014-2020).

## Trends in budget expenditures

- v. Over the review period covered by this report (2003-2012), the budget allocated to agriculture increased noticeably more than the sector's contribution to GDP. This reflects a notable effort by the Chad authorities to increase the budget to boost this sector's development in recent years. In this proactive context, Chad signed its CAADP Compact in December 2013 to continue supporting agriculture's revival. The CAADP is being implemented in Chad even as the terms of the National

Rural Sector Investment Program (PNISR, 2014-2020) are being finalized.

- vi. The country's total budget expenditures increased sharply over the period 2004-2012, rising by a factor of 3.4 over the period (from CFAF 436 to 1,480 billion) and corresponding to a budget implementation rate of 91.8%. COFOG agricultural expenditures also increased, although at a slower rate, from CFAF 42 to 115 billion, or a factor of 2.7. On the other hand, the implementation rate of these expenditures was higher, exceeding 100% on average over the period 2003-2012.<sup>2</sup> It should be noted that in the Chad context, the level of public expenditures is of less importance than the low efficiency of this expenditures in terms of its impact on the beneficiaries. This lack of efficiency is due to the public sector's poor implementation capacity and to a lack of transparency in the use of public funds. It is difficult to examine the degree of efficiency in public expenditures given the lack of available data and impact analyses, and this could not be carried out for this Review.
- vii. *Trends in COFOG expenditures.* In the period 2003-2012, public agricultural expenditures as measured using the COFOG methodology accounted for: (i) 5.7% of total public expenditures; (ii) 4.1% of agricultural GDP; and (iii) 1.1% of total GDP. These figures place Chad at the lower end of Sub-Saharan African countries in terms of support for the agricultural sector. To lift the level of support toward the upper end of the range for low-income countries (e.g., 8% of agricultural GDP) and reach the target of 10% of national expenditures allocated to the sector, Chad would have had to practically double its expenditures in order to reach an average of CFAF 100 billion per year in the period 2004-2012, or CFAF 190 billion equivalent for 2012. Yet this would still be insufficient to meet the ambitious needs of the PNISR, which are estimated at CFAF 2,800 billion for the period 2014-2020, or approximately CFAF 400 billion per year.<sup>3</sup>
- viii. *Trends in overall agricultural expenditures.* Total public agricultural expenditures including expenditures on rural development and food security in the broad sense amounted to: (i) 10.26% of the national budget; (ii) 7.2% of agricultural and livestock GDP; and (iii) 1.93% of total GDP. These figures are much more positive than the strict COFOG figures. It is clear that as the Chad authorities see it, agricultural expenditures need to be analyzed from a broader viewpoint beyond the narrow COFOG framework. Indeed, some expenditures, such as food aid, drinking water, feeder roads, and, more broadly the setting up of basic services, are vitally important for rural and regional development to be effective.

### **Breakdown of budget expenditures**

- ix. This Review breaks down public expenditures in three ways: (i) *administrative breakdown* (MoAE vs. MoLH, central services vs. decentralized services, and supervised bodies and NFSP); (ii) *economic breakdown* (payroll and operational, capital, and transfer expenditures); and (iii) *operational breakdown* (expenditures by sub-sector: agriculture vs. livestock breeding).
- x. The *administrative breakdown* of public agricultural expenditures by sector ministry shows that MoAE expenditures accounted for approximately 79% and MoLH expenditures for approximately 21% of the combined budget of these two ministries. These expenditures are highly centralized, with 96% allocated at the national level. Over the period under review, expenditures by affiliated agencies and the National Food Security Program (NFSP), corresponding to appropriations granted on the basis of transfers,<sup>4</sup> represented 37.4% of MoAE and 4.3% of MoLH expenditures. The NFSP

<sup>2</sup> This very high rate includes off-budget capital expenditures from external resources (see [Annex 1](#)).

<sup>3</sup> Source: *FAO Assessment of PNISR financing requirements* (preliminary estimate)

<sup>4</sup> In Chad's budget nomenclature, resources appropriated to affiliated agencies and independent programs are booked as transfers.

was the largest recipient, with 41% of total expenditures by these entities, followed by Cotontchad (24%) and the National Bureau of Food Security (ONASA, 20%). Note that Cotontchad's share corresponds solely to subsidies aiming to cover its deficits and one-off losses in certain years.<sup>5</sup> This review questions why some expenditures were implemented through autonomous entities or independent programs (e.g., NFSP) when it could have been channeled directly through the technical directorates of the sector ministries, where the responsibility usually lies.

- xi. The *economic breakdown* of public agricultural expenditures vs. the overall national budget reveals the following: (i) payroll expenditures: 12% vs. 21%; (ii) operational expenditures: 4% vs. 9%; (iii) transfers: 40% vs. 20%; and (iv) capital expenditures: 44% vs. 43%. As a result, payroll and operational costs as a proportion of the total MoAE and MoLH budget are markedly lower than those of the civil service as a whole, while their transfers are twice as high and capital expenditures are of the same magnitude. It is clear that the operational expenditures of the MoAE and the MoLH are sorely insufficient and should be increased at least to a level similar to that of the overall civil service.
- xii. COFOG capital expenditures<sup>6</sup> were calculated by taking into account only eligible expenditures under the COFOG nomenclature, i.e., approximately 35% of the share of expenditures on integrated rural development projects, and by excluding food aid expenditures and other non-COFOG expenditures (e.g., feeder roads). The results show that capital expenditures represented approximately 45% of total public agricultural expenditures, with this proportion remaining stable over the course of the review period. MoAE and MoLH capital expenditures from *external financing* dipped early in the review period (2003-2012) before returning to their initial level of around CFAF 55 billion at the end of the period. A breakdown of these capital expenditures by type shows that integrated rural development projects (or regional projects) represent the largest category (29%), followed by technical assistance projects and capacity building (12.8%). Meanwhile, agricultural production and livestock and fisheries represent only 11.3% and 10.6%, respectively. A breakdown by donor shows that the AfDB (16%), France (10%), Germany (8%), the European Union (6%), the World Bank (6%), and the BADEA (6%) were the leading donors, excluding jointly financed multi-donor projects (8.3%). Capital expenditures from *national financing* increased strongly over the period, from CFAF 6 billion in 2004 to CFAF 26 billion in 2012. The ratio of capital expenditures from national financing to total capital expenditures also increased. Despite this sharp increase, internal financing equated to only one-quarter of the amount from external financing on average over the review period. This proportion should be increased.
- xiii. The *operational breakdown* of budget expenditures reveals a bias in favor of agricultural expenditures in the narrow sense as opposed to livestock expenditures. These expenditures relate to the MoAE's budget and constitute 4.5% of the national budget, whereas agriculture's contribution to national GDP is only 12.9%. In contrast, livestock expenditures pertain to the MoLH's budget and equated to only 1.3% of implemented national expenditures, whereas the livestock sector contributes 13.6% of GDP.

### **Efficiency of the budget process**

- xiv. Although the situation has improved recently, we note that budget management is weak on the whole. The Supplementary Budget Law generally contains significant modifications to the Initial Budget Law. This reflects: (i) an inability at the Ministry of Finance and Budget (MoF) to accurately estimate revenue and to rigorously allocate expenditures according to sectoral priorities; and (ii) poor macroeconomic projections and forecasts by the Ministry of Planning and International

<sup>5</sup>During the period under review, Cotontchad received grants only in 2005, 2006, and 2007.

<sup>6</sup> Total capital expenditures (COFOG and non-COFOG) from external financing are summarized in [Annex 1](#).

Cooperation (MoPIC), which lead to unrealistic or unreliable revenue forecasts and to an allocation of sectoral budget appropriations that fails to consider real priorities.

- xv. The implementation of public expenditures by the agricultural sector ministries is affected by three major problems: (i) cumbersome procurement procedures; despite the large number of improvements that have resulted from the Action Plan for the Modernization of Public Finances (PAMFIP), current procurement procedures are both lengthy (4 to 6 weeks at least) and inefficient; (ii) breakdowns in communication between donors and project managers and, in some cases, the cumbersome procedures of donors themselves; and (iii) problems mobilizing government backing for projects due to various problems such as lower prices for hydrocarbons in international markets and the resulting fall in government revenue (e.g., in 2011).
- xvi. Such bottlenecks echo the overall process of preparation, implementation, and monitoring and evaluation of budget expenditures by the agricultural sector ministries.

### Conclusions and recommendations

- xvii. This Review makes the following conclusions and recommendations with regard to public agricultural expenditures:
  - a. *The overall amount of agricultural expenditures should be increased.* Agricultural expenditures (using the COFOG methodology) relating to crop and livestock production activities should have more than doubled over the 2003-2012 review period if the Maputo target of 10% of the national budget allocated to the agricultural sector were to have been met. This would have amounted to approximately CFAF 190 billion in 2012 (compared with expenditures of CFAF 93.3 billion in 2012). Several priority areas where public financing is clearly still insufficient are livestock farming (see b. below), irrigation systems, pastoral watering, and feeder roads, given both the needs and the potential in these areas. Farming and livestock services are another area that needs strengthening. The combined effect of these budgetary measures would pave the way for an increase in agricultural output, in particular with regard to crop production;
  - b. *The budget allocated to livestock activities should be increased.* Efforts aiming to increase the agricultural budget in particular (to at least double it; see above) should be deployed, with particular emphasis on supporting livestock activities. In relation to total national expenditures, the share of expenditures on livestock activities (1.3% pertaining to MoLH expenditures) as opposed to expenditures on agricultural activities (4.5% for the MoAE) is insufficient in light of their respective contributions to national GDP (13.6% vs. 12.9% for agriculture). On this point, it would be advisable to substantially increase the MoLH budget, in particular the budgets of the technical directorates under the former Ministry of Pastoral Resources and Animal Production (MoPDAP). Pastoral watering will also require particular attention;
  - c. *Budget allocations granted to the regions should be increased.* Chad is a large country with diverse resources. The government should establish efficient decentralized services with the resources to respond to the needs of local populations. The current 4% allocation of budget resources to the decentralized branches of the sector ministries is manifestly insufficient. First, the resources allocated to these branches should be increased markedly. Next, the objective should be to undertake institutional reforms with a view to giving more power and responsibility to the decentralized organizations and grant them the corresponding additional resources;
  - d. *Appropriations for operational expenditures should be increased.* The accounting breakdown of MoAE and MoLH expenditures reveals that only 4% of total expenditures are allocated to the operational costs (including equipment maintenance) of these two ministries. Experience shows

that this level of allocation is highly insufficient to adequately cover their operations. This level should be adjusted to at least the level of the overall civil service, i.e., approximately 9%;

- e. *The technical directorates should implement expenditures directly.* This concerns in particular the NFSP, which represents over 15% of the total MoAE budget. This budget covers expenditures (e.g., irrigation systems, pastoral and village waterworks, and intensification of crop, livestock, and fisheries production), which ought to be implemented by the technical directorates (or specialized bodies under supervision). The NFSP budget should therefore be adjusted downward so that it contains only expenditures strictly related to food security and the remaining budget transferred to the directorates and other technical entities; and
- f. *National financing should play a greater role in capital expenditures.* National financing of capital expenditures equated to only one-quarter of capital expenditures from external financing on average during the review period. This share should be raised. In fact, donors have sought such an increase. They consider that given its oil resources, Chad should be able to contribute more of its own funds to capital expenditures. Likewise, the Chad government could also contribute to the necessary increase in the MoAE and MoLH budgets (see above).

*The implementation of the above recommendations will require a strengthening of planning and programming, management, and monitoring and evaluation systems at the levels of both the central ministries (MoF and MoPIC) and the two sector ministries (MoAE and MoLH), as described below:*

- g. *Planning and programming should be strengthened.* Budget planning and programming remains an extremely weak link in the budget process in Chad at the levels of both the two economic ministries (MoPIC and MoF) and the technical ministries (MoAE and MoLH in the case of the agricultural sector). The fact that the Supplementary Budget Law is often out of step with the Initial Budget Law is a clear illustration of this shortcoming.

The agricultural sector strategy documents that do contain quantitative data, such as the Agricultural Master Plan (AMP, 2006-2015) and the Five-Year Agricultural Plan (2013-2018), do not include sufficiently complete databases to draw up accurate budget expenditure forecasts relative to the objectives set in general policy documents. This drawback undermines the foundations of the budget cycle. In fact, the documents cited above have become obsolete as they have been included in the National Rural Sector Investment Program (PNISR 2014-2020) under the aegis of the CAADP with assistance from the FAO. In this respect, the current support from the FAO in defining the terms of the PNISR is welcome as it will give a much-needed sense of direction to the planning and programming of capital expenditures in the agricultural sector. It should be noted that this drive is taking place with the participation of all stakeholders. The MoAE and MoLH Directorates of Economic Planning and Programming (DEPP) in particular are closely involved, as is the MoAE's Permanent Agricultural Programming and Monitoring Unit.

The collection and compilation of budget data is another shortcoming that needs to be addressed. In particular, this concerns: (i) the projected external financing of development projects not yet systematically accounted for in budget allocations, and (ii) disbursements of external financing that do not appear in the Computerized Expenditure System (CES) managed by the MoF.

This Review makes the following recommendations for remedying the above shortcomings in budget planning and programming: (i) Prepare valid strategy documents that can be used as a framework for programming and planning activities and can be quickly put into operation; (ii) Systematically insert external financing in the budget database both for projected appropriations (Initial and Supplementary Budget Laws) and commitments (CES); on this point, data

concerning projected financing and disbursements for development projects from donors to the MoPIC should be systematically and promptly passed on to the MoF to be included in the Initial and Supplementary Budget Laws and in the CES, respectively; (iii) Increase coordination between participants; coordination between the MoF and the MoPIC needs to be enhanced, especially considering that it is the MoPIC that communicates with the DPs; collaboration with the group of DPs also needs to be improved to ensure that donors systematically and accurately pass on all the data concerning their financing; and (iv) strengthen the capacity of the MoAE and MoLH Directorates of Economic Planning and Programming (DEPP).

- h. *The Management Information System (MIS) should be strengthened.* The MIS of both sector ministries is extremely weak and does not enable close monitoring of the ministries' day-to-day recurrent expenditures (including payroll costs, operational costs, and other recurrent costs) or periodic evaluation of these costs. This shortcoming could be remedied by strengthening the Directorate of Financial Management (DAF) within each of these ministries and ensuring that a desirable level of collaboration is established with the corresponding services at the MoF; and
- i. *Monitoring and evaluation should be strengthened.* Monitoring and evaluation of investment projects is deficient. Monitoring should be carried out regularly, in particular during the various stages of the donor project supervision cycle. This monitoring would make it possible to stay informed of progress in project implementation and to adjust budget forecasts accordingly. Likewise, project evaluation should be prepared systematically by project managers in order to determine the impact of public expenditures, and in particular capital expenditures, on the target populations. To date, this analysis is seldom carried out except on occasion in the context of specific completion reports with the support of DPs. Strengthening monitoring and evaluation is a matter of urgency and will require operational data to be systematically collected and impact studies to be carried out.

## INTRODUCTION

1. Over the review period covered by this report (2003-2012), the budget allocated to agriculture increased noticeably more than the sector's contribution to GDP. This reflects a notable effort by the Chad authorities to increase the budget to boost this sector's development in recent years. In this proactive context, Chad signed its CAADP Compact in December 2013 to continue supporting agriculture's revival. The CAADP is being implemented in Chad even as the terms of the National Rural Sector Investment Program (PNISR, 2014-2020) are being finalized.
2. Within the context of the CAADP, the Government of Chad (GOC) wished to undertake a review of public agriculture expenditures to learn from past budgetary implementation in this sector with a view to improving future program performance. Following a request by the Ministry of Agriculture and Irrigation (MoAI), the NEPAD Planning and Coordination Agency gave Chad its backing for this review. This process was undertaken by the Program for Strengthening National Comprehensive Agricultural Public Expenditure in Sub-Saharan Africa, co-financed by the Bill and Melinda Gates Foundation and the CAADP Multi-Donor Trust Fund. This program, implemented by the World Bank, aims to improve the impact of the still-limited public resources available to governments in Sub-Saharan Africa to foster agricultural development and reduce poverty in rural areas, where most of the poor in these countries, notably Chad, live.
3. This study follows and builds upon a number of similar studies conducted in recent years on public expenditure management, in particular in Chad the Action Plan for the Modernization of Public Finances (PAMFIP). However, these studies have focused on budget management as a whole, and none to date has looked at the agricultural sector specifically.
4. The Basic Agricultural Public Expenditure Diagnostic Review in Chad aims to:
  - a. Gain a better understanding of the country's performance in the context of the 2003 Maputo Declaration.
  - b. Draw lessons from the past in terms of budget implementation in the agricultural sector in order to improve the performance of future programs;
  - c. Increase the GOC's and the DPs' understanding of the sector's absorption capacity so that an appropriate decision can be made to increase the financial resources allocated to agricultural development; and
  - d. Contribute to ownership of the public expenditure review process within the two sector ministries, the Ministry of Agriculture and Environment (MoAE) and the Ministry of Livestock and Hydraulics (MOLH), with the more general and necessary goal of strengthening monitoring and evaluation (M&E) capacity.
5. Unlike other countries where the process of agricultural development is underway, Chad is an outlier in that: (i) foreign aid is in recovery mode after the socioeconomic troubles of recent years, and (ii) reforms to the functioning of the State are ongoing. In this context of change, it is crucial to draw lessons from the past in terms of budget implementation by internalizing the analytical process as a vital tool for success in the implementation of the PNISR.
6. This report contains six chapters:

Chapter I – Strategic and Institutional Context



Chapter II – Methodological Approach

Chapter III – Overall Trends in Agricultural Expenditures

Chapter IV – Breakdown of Public Agricultural Expenditures

Chapter V – Efficiency of the Agricultural Budget Process

Chapter VI – Conclusions and Recommendations

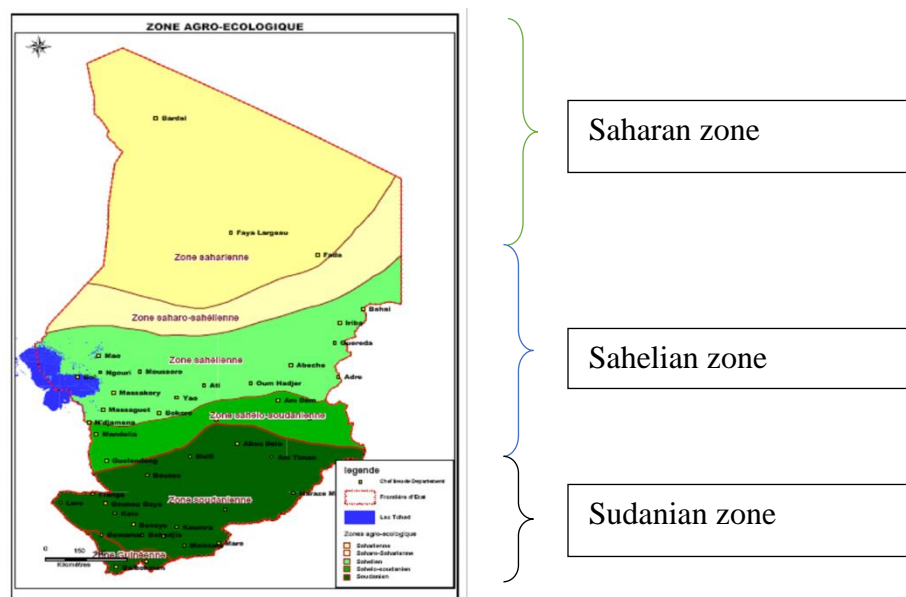
# CHAPTER 1. STRATEGIC AND INSTITUTIONAL CONTEXT

## 1.1 The Agricultural Sector: Recent Context and Development

### General Information about the Country

7. *In geographic terms*, Chad has a surface area of 1,284,000 km<sup>2</sup>. It is a landlocked country located at the heart of the African continent. It is part of the Sahelo-Saharan zone, while the southern tip of the country is in the Sudanian zone, as shown in [Map 1](#) below.

**Map 1: Chad's three main agro-climatic zones**



Source: Chad water and sanitation master plan 2003-2020, UNDP Chad, 2002

8. *In terms of climate*, Chad is characterized by a hot continental climate, with a rainfall level that varies from the north to the south of the country between 100 mm and 1,200 mm per year, a pattern that has a significant influence on the agricultural production system. This rainfall is characterized by strong annual variability, with a significant risk of drought. The country is thus vulnerable to adverse weather conditions, with profound effects on agricultural and food production as well as forage production and livestock feed.
9. As in the rest of Africa's Sahelian belt, climate change is having an adverse effect on Chad's climate cycle, with droughts or flooding occurring every ten years on average, with severe flooding in 1978, 1988, 1998, and 2008, with an exception in 2012, and droughts in 1973, 1983, and 2001, accompanied by food shortages and famines and sometimes epidemics (cholera, rinderpest, etc.).
10. *In terms of natural resources*, Chad has a wide range of potential resources at its disposal, which should allow for sustainable growth in production and poverty reduction:
  - 39 million hectares of cultivable land (30% of the territory), including 19 million hectares of arable land, composed of 13.3 million hectares cleared for agriculture and 5.6 million hectares with irrigation potential, of which 435,000 hectares can be easily irrigated;
  - 84 million hectares of natural pasture land and 23.3 million hectares of natural forest

- formations, which provide feed for a population of over 20 million ruminants as well as shelter for a still plentiful and varied fauna that constitutes a significant source of biodiversity;
- 22.4 million hectares of protected areas and 7 million hectares suitable for fishery resources; and
- 20 billion cubic meters of annually renewable groundwater and an estimated 260 to 540 billion cubic meters of useable aquifer reserves. A volume of only 1.27 billion cubic meters is taken from these various resources each year.

11. ***In demographic terms***, the country has a population of approximately 11.9 million (INSEED, 2011), with an average annual growth rate of 3.6%. According to the 2009 census, Chad has a resident population aged 18 and over of 4.7 million, which represents 43% of the total population. Given the demographic growth rate, Chad's population will continue to be very young. This constitutes a significant human resource for the future. Chad has a working population of 5 million, of which only 5% are employed in the formal sector. Approximately 83% of the working population lives in rural areas.

### **Socioeconomic Development, Poverty, and Food Security**

12. Despite its potential for development, since its independence in 1960, the country's evolution has been characterized by near-stagnation or even regression in the population's standard of living. Although the advent of oil resources since 2003 has partially reduced this decline, the country's economic performance remains weak, with a downward trend in the rate of economic growth in real terms. From 34.3% in 2004 when oil wells were first exploited, the GDP growth rate fell to 7.5% in 2005, 1.4% in 2006, 4.0% in 2007, -0.6% in 2008, 1.8% in 2009, and 5.2% in 2010.
13. The 2000s were marked by strong growth in Chad's economy, primarily due to the drilling of oil. However, the emergence of the oil sector and its related financial opportunities have not yet had a significant impact on the real economy, whose annual growth rate was 3.7% on average in the period 2006-2011. Chad's economic growth is erratic, primarily as a result of fluctuations in agricultural and oil production, which are related to weather conditions and the price of oil in the markets, respectively. This partially explains the erratic nature of public expenditures.
14. In 2009, the proportion of the population living below the poverty line was 45% nationwide and 87% in rural areas. Undernourishment continues to be a crucial issue, with the rate of underweight infants and children estimated at 30% in 2010 (MICS, 2010) and a significant number of people regularly finding themselves in a situation of chronic food insecurity. According to the 2003 report by the Economic Community of Central African States (ECCAS), Chad ranks last among the countries in the sub-region in terms of its ability to respond to the food issue.
15. Generally speaking, much remains to be done in Chad in terms of human development. The country's per capita income, estimated at USD 426 in 2009, remains one of the lowest in the world. As concerns the Human Development Index (HDI) (UNDP Human Development Report, 2009), Chad was ranked 183rd out of the 187 countries for which figures were available. The main development indexes presented in [Table 1](#) along with a comparison with the regional and global situation provide insights into the country's socioeconomic situation.

**Table 1: Human Development Index of Chad (2009, compared to the sub-Saharan and global average)**

	<b>Human Development Index (HDI)</b>	<b>Life expectancy at birth (years)</b>	<b>Average length of schooling (years)</b>
Chad	0.340	49.2	1.5
Sub-Saharan Africa	0.475	52.7	4.5
World	0.694	69.3	7.4

Source: UNDP, 2013, *Human Development Report 2013*

16. Prior to the beginning of the 2000s, Chad was unable to meet its food deficit, which remained at approximately 30% on average. It has been estimated that 20% of Chad's population was in a permanent situation of undernourishment. Efforts have been made in the past decade to eliminate this deficit. In the past ten years, agricultural production has increased substantially. This increase notably helped reduce the yearly grain deficit, which on average reached only about 10% (see [Table 2](#) below). Consequently, food sovereignty remains a major challenge for the country.

**Table 2: Grain production vs. food needs (2002-2012)**

<b>Year</b>	<b>Gross production</b>	<b>Seed and losses</b>	<b>Net production</b>	<b>Food needs</b>	<b>Shortfall/ Surplus</b>
	<i>Tonnes</i>				
2002-2003	1,217,740	210,669	1,007,071	1,280,551	-273,480
2003-2004	1,617,339	279,799	1,337,540	1,312,565	24,975
2004-2005	1,212,905	209,832	1,003,073	1,345,379	-342,306
2005-2006	1,543,609	267,044	1,275,565	1,379,013	-103,448
2006-2007	1,991,122	344,464	1,646,658	1,413,489	233,169
2007-2008	1,972,035	341,162	1,630,873	1,448,826	182,047
2008-2009	1,778,825	307,737	1,471,088	1,755,340	-284,252
2009-2010	1,575,117	272,495	1,302,622	1,818,532	-515,910
2010-2011	2,640,814	456,861	2,183,953	1,883,999	299,954
2011-2012	1,657,182	286,692	1,370,490	1,951,823	-581,333

Source: FAO, Review of the Agricultural Sector, 2013

## **The Agricultural Sector**

17. Prior to 2004, the agricultural sector, including food and commercial agriculture, livestock, and hunting, fishing, and forestry, represented approximately 40% of national GDP. This figure has greatly decreased in recent years due to the significant increase in the country's oil resources as oil exploration profoundly modified the production and exportation structure of Chad's economy. After 2004, agricultural GDP (including livestock, fishing, and forestry) represented on average nearly 27.6% of national GDP between 2003 and 2012. The agricultural sector also contributes to export revenues, principally thanks to cotton, representing about 45% of non-oil exports. Agricultural production *proper* contributed 13.2% on average to national GDP, and the livestock sub-sector represented 14.4% of national GDP on average between 2003 and 2012. Today, 78% of the population lives in rural areas, with agriculture as the primary source of income. The agricultural sector thus remains a key instrument for poverty reduction. Since oil resources are necessarily limited,

the sector also forms the basis for sustainable economic development in Chad.

18. Despite its great potential (see [paragraph 10](#) above), the agricultural sector experienced average annual growth of only 2% between 2007 and 2011, marked by strong variation, with a low of -14% in 2011 and a high of 27% the previous year. The year 2011 was marked by severe weather conditions, which had a significant effect on production. Growth in the livestock, fishing, and forestry sub-sectors was also relatively stable during the same period, with an annual average of 1.9%. By contrast, the foodcrop production GDP was subject to wide fluctuations, with an average annual growth rate of 3.6%, while the industrial agriculture GDP decreased.
19. The increase in production over the past decade was due to an increase in farmland rather than in productivity, with grain yields remaining virtually unchanged. This observation also applies to the yields of other crops, such as oilseeds (see [Table 3](#) below).

**Table 3: Grain and oilseed yields**

Year	Grain Yields (kg/ha)	Oilseed Yields (kg/ha)
2002/2003	715	1,387
2003/2004	773	1,181
2004/2005	670	1,010
2005/2006	722	1,850
2006/2007	777	1,350
2007/2008	799	1,252
2008/2009	715	1,088
2009/2010	596	928
2010/2011	762	1,105
2011/2012	632	821
2012/2013	931	1,182
<b>Average</b>	<b>736</b>	<b>1,196</b>

Source: Department of Agricultural Production and Statistics, MoAE

20. To exploit these opportunities, the agricultural sector must overcome numerous challenges involving, among others, access to inputs, water control, labor productivity and yields, zootechnical parameters, and transport and storage infrastructures in order to facilitate market access for commodities as well as weaknesses in extension and support services for producers. Moreover, the country is subject to external shocks such as droughts and flooding, exacerbated by the impact of climate change, locust invasions, and conflicts, leading to internal as well as cross-border movement of populations. These shocks expose the population to recurring conditions of famine.

## 1.2 Agricultural Development Policies and Strategies

21. In the period 2002-2012, several framework documents were drafted to guide development policies and strategies for the agricultural, rural, and food security sector. These documents all emphasize the fact that beyond the opportunities provided by the oil windfall, food sovereignty, the emergence of a diversified and competitive economy, and sustainable growth all depend on the agricultural and pastoral sector.
22. *Maputo Declaration (2003)*. On an international level, the Chad Government has adhered to

the 2003 Maputo Declaration. With this declaration, African governments agreed to increase the share of their national budget dedicated to agriculture and rural development, with an objective of at least 10%, in order to attain agricultural growth of at least 6% per year. As a result of this commitment, NEPAD detailed the procedures to be used to calculate the share of agricultural, rural development, and food security expenditures in national budgets (AU/NEPAD, 2005) in order to make homogenous comparisons between countries possible. These expenditures correspond to the definition provided by the Classification of Government Occupations (COFOG) (see [paragraph 43](#)).

23. ***Rural Development Support Program (PIDR – 2002)***. Drafted for the implementation of sectoral consultation on rural development, the PIDR emerged from the Geneva IV Round Table and reaffirmed the Government's desire to make the agricultural and rural sector the priority sector. The PIDR aimed to increase the production capacity and incomes of producers and rural populations and restore the ecological balance needed for the improved management of natural resources. Based on these objectives, strategies for the agriculture, livestock, fishing, and environment sub-sectors were elaborated. The PIDR consisted of two major programs: the Local Development Program Support Project (PROADEL), and the Producer Organization Support Project (PASAOP).
24. ***Water and Sanitation Master Plan (WSMP, 2003-2020)***. The WSMP is a strategic multi-sectoral policy framework for the sustainable development and management of Chad's water resources with the aim of satisfying the population's basic needs and ensure the country's economic and social development while respecting its environment. The WSMP is an adaptive reference instrument for all of the internal and external stakeholders working in the water sector in Chad. In terms of agricultural water systems, this involves strengthening capacities in the field of rehabilitation, the management and exploitation of large irrigated surfaces, and the development of small private surfaces by focusing on training and farmers' associations.
25. ***Chad's Poverty Reduction Strategy (PRS I, 2003-2006 and PRS II, 2008-2011)***. The PRS placed the priority on the agricultural sector and the promotion of the rural environment, where 87% of the poor population lives. It focuses on food security, the intensification of cultivation, the diversification of products (groundnuts, acacia gum, fruit and vegetables, and roots and tubers), and the revival of cotton production, which sustains 350,000 farming families. The chosen means included: (i) more effective public interventions, notably the revival of research, seed production, and extension; (ii) a policy focusing on the development of farmers' associations and the gradual delegation to these groupings and the private sector of activities previously monopolized by the public sector; (iii) the promotion of small-scale irrigation that can be managed by the producers themselves or their groupings; and (iv) the implementation of the roadmap for the restructuring of Cotontchad. In terms of poverty reduction, the objective was to lower the incidence of poverty in the cotton-producing zones from 55% to 40% in 2011.
26. ***Agricultural Master Plan (AMP, 2006-2015)***. The AMP was defined in reference to the PIDR. Its global objective is to contribute to a sustainable increase in agricultural production in a preserved and safe environment. It seeks to reach the specific objectives of: (i) food security; (ii) the creation of and increase in incomes in rural areas; (iii) a substantial increase in agriculture's contribution to national GDP; (iv) sustainable improvement in the standard and quality of living for rural populations; and (v) the strengthening of regional integration in the area of trade. These specific objectives are underpinned by various programs ranging from support for public services to the revival of food and industrial production. Through these specific objectives, the AMP helps strengthen the priority strategic focus of the PRS, which is to coordinate all of the sectoral strategies in agriculture and rural development.

27. ***National Livestock Development Program (PNDE, 2010-2017)***. The PNDE adopted in November 2010 also used the PIDR as a reference framework for the rural sector, with the central objective to sustainably increase animal production in order to improve and increase the livestock sector's contribution to the national economy, poverty reduction, and food security. This global objective is divided into eight specific objectives: (i) to increase production through intensification and diversification while ensuring the safety of the pastoral and agro-pastoral systems; (ii) to develop the livestock sector and encourage specialized production by promoting productive and economically viable livestock farming; (iii) to develop commercialization and exportation by introducing new processing and conservation technologies; (iv) to improve knowledge of the sector by monitoring data about the labor force and the zoo-economic characteristics of the livestock; (v) to preserve and strengthen an animal health and veterinary research policy; (vi) to establish a concerted development and management policy for pastoral resources; (vii) to strengthen the capacities of the technical services and professionals working in the livestock sector; and (viii) to ensure the substantial and regular financing of the livestock sector in order to allow for its promotion. The implementation of the PNDE is based on two major programs, which focus on: (i) the development of livestock production systems; and (ii) the strengthening of the capacities of the sector's support services and professionals.
28. ***National Development Plan (NDP, 2013-2015)***. The three-year NDP aims to integrate all of the sectoral strategies previously contained in PRS I and PRS II and ensure their coherence with Chad's vision for 2025. This vision advocates orienting investments toward the agricultural and pastoral sub-sectors, which have real potential for ensuring the emergence of a diversified and competitive economy and guarantee sustainable growth for the country. The NDP strives to improve the population's quality of life and reduce poverty, especially in rural areas and among women and young people. For the period 2013-2015, the specific growth-related objectives are to maintain a yearly real GDP growth rate of at least 8.9% and ensure an investment growth rate of at least 6.7%. To this end, eight priority objectives have been established: (i) sustainable growth; (ii) food security; (iii) the creation of and access to employment; (iv) the development of human capital; (v) the development of the private sector; (vi) the development of Information and Communication Technologies (ICT); (vii) the protection of the environment and adaptation to climate change; and (viii) improvements in governance.
29. ***Five-Year Agriculture Development Plan, 2013-2018)***. At a total cost of CFAF 1,023 billion, or CFAF 204 billion per year,<sup>7</sup> the Five-Year Agriculture Plan aims to ensure food security and, more specifically, food sovereignty by 2018 and contribute to growth in the national economy by greatly increasing agricultural production and improving productivity. The key objectives of the plan are to increase cereal supplies, which are a staple in the diet of Chad's population, and to give real impetus to agricultural production, which remains inconsistent and dependent on rainfall. Within this framework, five priority fields have been defined: (i) water control and management; (ii) the intensification and diversification of agricultural production; (iii) strengthening food crisis prevention and management based primarily on an instrument consisting of a prevention and early alert system responsible for collecting, processing, and disseminating information about the food and nutritional situation, and a national food security reserve composed essentially of grains meant for emergency interventions in the case of food and nutrition crises; (iv) strengthening the capacities of services and Agricultural Producers' Organizations (APO); and (v) supporting the promotion of promising agricultural sectors, including grains (rice and corn), oilseeds (sesame and groundnuts), horticultural products (onions and garlic), root and tuber plants,

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<sup>7</sup> This includes all sectoral public expenditures, including the operating costs of sectoral entities.

and fruit and vegetables.

30. ***Comprehensive Africa Agriculture Development Program (CAADP)***. The implementation of the CAADP in Chad, which derives from the compact with the New Partnership for Africa's Development (NEPAD) of the African Union (AU) signed in December 2013, is based on these various national strategic plans with the aim of preparing the on-going National Rural Sector Investment Program (PNISR) with support from the FAO. The FAO's early estimates suggest needs in the region of CFAF 2,800 billion for the period 2014-2020 covered by the plan, or approximately CFAF 400 billion per year.
31. ***Observations***. A review of governmental strategies reveals the following general issues: (i) *Overlapping and lack of capitalization*: Numerous overlapping strategies were observed over a relatively short period (a decade) as well as a lack of capitalization on the gains made by the various strategies; (ii) *Weak coordination*: The PIDR was established to integrate and coordinate all interventions in rural areas in order to ensure coherence and avoid duplication in the rural development sector; unfortunately, this coordination structure has not been implemented, thus allowing strategies to be implemented without national monitoring or coordination; the result is duplication in the announced programs within the various strategies; (iii) *Insufficient articulation and redundancy*: Although all of the governmental strategies are based on the PRS, they have not clearly demonstrated how they tie in with this national orientation framework in terms of socioeconomic development that would integrate global challenges; a thorough analysis of these strategies reveals numerous redundancies between the various plans and master plans; (iv) *Compartmentalization*: The approaches applied by the strategies are sub-sectoral and compartmentalized and do not integrate all of the dimensions of rural realities, which are multi-functional; (v) *Lack of information*: Those who benefit from governmental strategy documents as well as the services and structures meant to help implement them remain largely unaware of their content, which raises the issue of communicating this content, informing the public, and ensuring its application by the main stakeholders in the rural sector; and (vi) *Poor strategy evaluation mechanisms*: Although all adopted and implemented sectoral strategies include mechanisms designed to evaluate their interventions, very few are in fact used, with the exception of the PRS, which drafts an annual follow-up document.
32. As concerns documents incorporating expenditure estimates such as the Agriculture Master Plan (AMP, 2006-2015) and the Five-Year Agriculture Plan, 2013-2018), it is clear that they do not provide a sufficiently comprehensive basis for reaching detailed budget expenditure estimates for the objectives set in the context of budget planning and programming. The referenced documents have also become obsolete in that they are taken into account in the PNISR currently being drafted. It is hoped that the PNISR will provide all of the necessary details for the adequate planning and programming of sectoral public expenditures. It should be noted that the PNISR covers all sectoral public expenditures, including operating and staff expenditures.

### **1.3 Institutional Framework**

33. Its central position has allowed Chad to be integrated into regional organizations such as the Economic Community of Central African States (ECCAS), the Permanent Interstate Committee for Drought Control in the Sahel (CILSS), the Niger Basin Authority (NBA), the Central African Economic and Monetary Community (CEMAC), and the Community of Sahelian-Saharan States (CENSAD).
34. *The Ministry of Agriculture and Environment (MoAE) and the Ministry of Livestock and Hydraulics (MoLH)* along with their central directorates, regional delegations, and



organizations under their supervision are the lead agencies in terms of public expenditures in agriculture, rural development, and food security. These two ministries were created in April 2014 through the merging of the following ministries: (i) MoAE: Ministry of Agriculture and Irrigation (covering agricultural development and hydro-agricultural improvements) and the Ministry of Environmental and Fishery Resources (covering water and forests, fishing, aquaculture, and agro-forestry); and (ii) MoLH: Ministry of Pastoral Development and Animal Production (covering livestock activities) and the Ministry of Rural and Urban Water Supplies (covering productive rural water systems and primarily pastoral wells). The other ministerial structures that intervene in the management and financing of the sector are: (i) *the Ministry of Transportation* (MoT) for feeder roads, and (iv) *the Ministry of Spatial Planning* (MoSP) for small-scale hydro-agricultural developments and other micro-projects as well as productive sub-projects as part of community development operations. Finally, *the Ministry of Planning and International Cooperation* (MoPIC) intervenes early on in the planning and programming process, and the *Ministry of Finance and Budget* (MoF) intervenes in budget preparation and implementation.

35. Affiliated agencies and autonomous programs intervene alongside these ministerial structures. These include: (i) The National Institute for Agronomic Research and Development (INRAD), in charge of agricultural research and the production of plant material, the National Rural Development Agency (ONDR), in charge of the farm advisory system, the Lake Chad Development Corporation (SODELAC), in charge of the development of Lake Chad, and state organizations under the authority of the MoAE; (ii) Cotontchad, a state-owned corporation in charge of developing cotton production under the authority of the MoAE; (iii) the National Food Security Program (NFSP), an autonomous program within the MoAE; and (iv) the Livestock and Development Research Institute (IREDA), an organization supervised by the MoLH.
36. Furthermore, a number of non-governmental stakeholders are also involved. Although their capacities vary, they are generally limited in terms of human resources as well as on a technical, financial, logistical, and managerial level. They include: (i) Professional Agricultural Organizations (PAO); (ii) civil society organizations (NGOs and associations), with many NGOs intervening randomly across the country, with varying activities and varying degrees of efficiency; (iii) microfinance institutions (MFI); and (iv) the private sector in the field of the production (including small producers) and marketing of agricultural products, agribusiness, and the supply of inputs (fertilizer and crop protection products) and agricultural equipment.
37. The final group of stakeholders in terms of agricultural and rural development and food security in Chad are donors. The socioeconomic turmoil that shook the country in 2008 led to the suspension of development aid by the majority of Development Partners (DP), and notably the World Bank. The national political accord and the legislative elections that followed restored the country's political stability and renewed international cooperation. The donors involved in supporting the agricultural sector formed a Group of Technical and Financial Partners (GTFP), a dialogue, coordination, and interface group linking the Government and the DPs with a view to implementing the current National Development Plan (NDP, 2013-2015). The GTFP also supports the operations of the Comprehensive Africa Agriculture Development Program (CAADP) within the framework of which the National Rural Sector Investment Program (PNISR) is being prepared.
38. ***Weak institutions and a lack of coordination.*** The extremely limited capacities of the ministries and other sectoral public institutions impede the provision of quality services and obstruct the achievement of the sector's development objectives. This results in low implementation rates for development programs. These substantially inadequate capacities

at all levels of the sector's institutions constitutes the main challenge when it comes to implementing programs. These institutions are ill-equipped to conduct long-term strategic planning, elaborate sectoral policies, mobilize funding, ensure rapid and efficient procurement procedures, provide necessary goods and services in an efficient manner, and evaluate operational procedures and results. These low capacities in the key fields of planning, budget management, procurement, and monitoring and evaluation undermine the effective implementation of national development programs and ultimately have a negative impact on development outcomes and the provision of services by sectoral public entities. Although limited progress has been made in the introduction of information systems to support planning, financial management, and monitoring and evaluation procedures, much remains to be done to strengthen the systems in place so that the government actors working in the sector are provided with the information they need in order to manage public funds.

39. The poor performance of the ministries and other sectoral public entities is affected by several factors. First of all, salaries and pensions in the sector remain low, as is the case for all public administrations. Interest in careers in the civil service is thus low. Secondly, the lack of modern and effective human resources management systems for recruitment and career management, including merit-based promotion and results-based management performance has resulted in the persistence of a public service culture that is inconsistent with accountability and initiative. Thirdly, political economic factors, including the prevalence of favoritism in the sector's administration, have politicized the public service and created rent-seeking conditions. For all of these reasons, civil servants in the sector remain part of the public administration, even when they reach an advanced age. Moreover, civil servants do not have access to quality continuous training or modern public administration systems that would allow them to work efficiently. This lack of available training in basic public administration operations limits the ability of current civil servants to upgrade their skills and of new recruits to develop theirs. Finally, the training currently available is not based on a real evaluation of training needs.

#### **1.4 Recent Developments in Public Finance Management**

40. Since the conclusion of the peace accord between Chad and Sudan in 2010, the country's security situation has remained stable, despite the events that have occurred in the neighboring countries of Libya and Nigeria and more recently the Central African Republic. This situation presents a window of opportunity for the Government's development efforts supported by the Development Partners to produce tangible results. However, Chad remains one of the poorest and less-developed countries in the world, with a per capita income of USD 740 in 2012 and is ranked 184th out of 186 countries on the 2013 Human Development Index (HDI). Overall governance remains poor. Progress has recently been made in the field of public finance management, notably with the adoption of the new Budget Law, the Government's commitment to adopting the CEMAC's public finance directives, and the operationalization of an integrated public finance management information system. Despite these efforts, public finance management remains extremely weak, as illustrated by the difficulties involved in collecting data for this Review.
41. In May 2013, Chad approved its Third National Development Plan (NDP) for the period 2013-2015. To support the implementation of the NDP, a public finance management strategy was prepared for the period 2013-2016. In 2007, at the Government's request, the World Bank approved a public finance management capacity-building project to the amount of USD 10 million. The objective of the project was to allow the Government to improve budget preparation and implementation as well as public finance control. In collaboration with other external partners, the project primarily financed the reorganization of the

financial services, the examination of budget and financial dispositions as well as public finance methods and procedures, the strengthening of management tools, especially the computerized expenditure chain, and the development and training of the human resources working in the field of public finance management. After a slow start and a weak initial performance, the project's implementation improved over the years to the point where the World Bank is contemplating granting an additional USD 10 million in financing for the project. This effort complements those of other development partners, notably the African Development Bank, the European Union, the French Cooperation, the United States, and the IMF.

## CHAPTER 2. METHODOLOGICAL APPROACH

42. This chapter presents the methodological approach on which this report is based with respect to: (i) defining agricultural expenditures based on the COFOG classification, which has been adopted by NEPAD and allows for international comparisons on a homogenous basis; and (ii) introducing the ministries involved, namely the Ministry of Agriculture and Environment (MoAE) and the Ministry of Livestock and Hydraulics (MoLH), and within these ministries, the central and decentralized structures and the administrative, economic, and operational breakdown of the expenditures; and (iii) the type of expenditures taken into consideration within the ministries concerned at both the central and decentralized level and as regards the NFSP and the organizations under its jurisdiction.<sup>8</sup>

### 2.1 Definition of Agricultural Expenditures

43. **COFOG Expenditures.** The expenditures taken into consideration in this review correspond to the categories defined by the United Nations' Classification of Government Occupations (COGOG), which NEPAD has adopted. This classification, also adopted by NEPAD for the CAADP, allows for comparisons at the international level on a homogenous basis. In particular, it assists in evaluating the achievement of the Government's objectives, notably and principally the objective of 10% of public expenditures being devoted to agriculture in the context of the Maputo Declaration. Specifically, the budgetary data taken into consideration corresponds to actual expenditures (and not to budgetary allocations) in the extended agricultural sector, including the domains of agriculture (vegetal and animal production), forestry (forest production activities, excluding forest conservation activities, for example in the context of classified forests), and hunting (including non-wood forestry products) and fishing. These expenditures include food security expenditures, interpreted broadly as the extent to which such expenditures are structural (and not cyclical). Food assistance *per se* is not covered. The rural development expenditures taken into consideration affect productive agricultural space (i.e., hydro-agricultural developments, pastoral water projects). However, social-related expenditures are not included (i.e., drinking water under the village water system classification). It should be noted that rural road expenditures are not included in the COFOG nomenclature.
44. **Budgetary Commitments and Disbursements.** The expenditures analyzed in this Review correspond to the commitments subject to financial review by the Ministry of Finance and Budget (MoF). These commitments, which are included<sup>9</sup> in the Computerized Expenditure System (CES)<sup>10</sup> database, are considered the best reflection of budget implementation. In fact, data on disbursements proper (source: Public Treasury) could not be obtained except for external financing for investments (source: MoPIC, corresponding to disbursements reported by funding partners). The budget implementation rate was calculated on the basis of disbursements in relation to budgetary allocations corresponding to the Supplementary

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<sup>8</sup> Note: Where no data source is listed below the tables in this report, the source is the personal collection or compilation of the authors.

<sup>9</sup> These semi-public companies are not to be confused with government-controlled organizations or independent programs, which come fully under the MoAE and MoLH budgets.

<sup>10</sup> The CES was established in 2006. It integrated data from 2005 and 2004 but not 2003. For that year, data from the annual budgetary fascicles corresponding to the budgetary contributions were used. In fact, these expenditures (commitments or disbursements) are not included in the fascicles and could not be obtained elsewhere (i.e., from the Public Treasury).

Budget Law (LFR).<sup>11</sup> These budgetary allocations are not computerized and were obtained through manual transcription from the MoF annual budget fascicles. The expenditures of semi-public companies under the jurisdiction of the two sectorial ministries (MoAE and MoLH), which are not included in the ministerial budgets, were not taken into account. The same is true for the Cotontchad expenditures (including its expenditures on fertilizer and phytosanitary products paid for by producers). In accordance with NEPAD directives adopted under the CAADP, only subsidies granted in certain years to cover debts and exceptional expenditures were included.

45. ***Budgetary and Off-Budget Analysis.*** The analysis was first performed on a strictly budgetary basis. It was established by: (i) using the budgetary fascicles containing all of the expenditures included in the Initial Budget Law (LFI) and the Supplementary Budget Law (LFR) (complete 2003-2012 series), and (ii) by using the Computerized Expenditure System (CES) containing the expenditure commitments (for the period beginning 2004). Data from semi-public organizations, whose budgets are not reported in the fascicles or the CES, were used to supplement the analysis. Finally, the analysis incorporates expenditures from externally financed projects whose data were provided by the Office of International Cooperation of the MoPIC (see the following paragraph). MoPIC sends the comparative figures to the MoF. These are accounted for as off-budget for the purposes of this Review.
46. ***Special Treatment of Investments.*** Calculating investment expenditures using the COFOG classification required a determination of the proportion of these expenditures devoted strictly to productive activities (vegetal and animal) (see Chapter V). This required special treatment for integrated rural development projects as these projects are founded on the principle that rural development requires combined interventions in its productive and social planning and in basic infrastructures. They thus include highly diverse activities covering social aspects (health and construction of health centers, education and construction of schools, drinking water and construction of wells and drilling) and infrastructure activities (i.e., rural roads) that are not included in the COFOG nomenclature. A study of a representative sample of integrated rural development projects financed by various funding partners<sup>12</sup> provided an approximate estimate of 35% of expenditures for these types of projects that met the criteria for the definition of COFOG expenditures. The MoPIC data were adjusted on this basis. However, it was not possible to proceed in the same manner with calculating internally financed COFOG investment expenditures due to the fact that the CES does not define expenditures by project. In the interest of clarity, it was decided to retain a fraction of expenditures similar to external financing corresponding annually to a ratio between COFOG expenditures and total expenditures.
47. ***Consistency in the Comparison of Budget Allocations and Budget Expenditures.*** This Review draws a parallel between budget allocations and disbursements. These classifications are similar to the definition of allocations and expenditures and can thus be legitimately compared. However, a review of the data shows that: (i) a portion of the budget allocations for certain classifications, in particular external investment financing, appears to have been underestimated (it does not appear that all projects receiving external financing are included); and (ii) on the other hand, as mentioned in paragraph 29 above, it was deemed preferable to use off-budget expenditures for investments receiving external funding as the expenditure line item. This sometimes gives unexpected results, such as a COFOG

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<sup>11</sup> The Supplementary Budget Law (LFR) approved during the fiscal year, generally in August and September, reflects the final budget allocations for a given year. It amends the Initial Budget Law (LFI) approved before the start of the fiscal year and containing original budget allocations.

<sup>12</sup> See the list of all projects receiving external financing in [Annex 2](#). The sample corresponds to projects financed by Switzerland and the European Union for which detailed information was available.

expenditure implementation rate greater than 100% (see paragraph 57 below).

48. **Review Period.** The period used for the analysis of budget data in agriculture, rural development, and food security for this Review varies by classification: (i) the budget allocations correspond to the Supplementary Budget Law (LFR) and cover the 2003-2012 period (10 years); (ii) budget expenditures correspond to commitments, with the comparative data being provided by the Computerized Expenditure System (CES) and available for the 2004-2012 period only; (iii) the data for externally financed investments cover the entire ten-year period (2003–2012); and (iv) expenditures for affiliated agencies are included for the 2005-2012 period only because the NFSP, which constitutes the principal expenditure item, was not created until 2005.

## 2.2 Ministries Concerned

49. **The Two Sectoral Ministries.** In Chad, expenditures corresponding to the COFOG nomenclature appear in the budgets of two separate ministries: (i) *the Ministry of Agriculture and Environment* (MoAE), and (ii) *the Ministry of Livestock and Hydraulics* (MoLH). Both ministries were newly created in April 2014 through the combination of the following ministries; (i) MoAE: Ministry of Agriculture and Irrigation and Ministry of Environment and Fishery Resources; and (ii) MoLH: Ministry of Pastoral Development and Animal Production and Ministry of Rural and Urban Water.
50. The expenditures used in this Review on a COFOG basis correspond to the following budget expenditures of these ministries: (i) MoAE: all agricultural and irrigation expenditures (formerly the Ministry of Agriculture and Irrigation); for environmental expenditures (formerly the Ministry of Environment and Fishery Resources), only expenditures for fishing, aquaculture, and agro-forestry are used; and (ii) MoLH: all expenditures for animal production (formerly the Ministry of Pastoral Development and Animal Production); for water, (formerly the Ministry of Rural and Urban Water), only expenditures for productive rural water (i.e., essential rural wells) are used, while expenditures for urban water and sanitation and those for rural drinking water are excluded.
51. **Respective Weight of both Sectoral Ministries in Terms of Personnel.** Table 4 shows the personnel of the two sectoral ministries. The MoAE's personnel of 1,689 (or 65% of the total for both sectoral ministries) confirms its dominance compared with the MoLH. It is also the ministry with the most sworn officers (military) due to its responsibility for monitoring protected areas and classified forests. The personnel of both sectoral ministries represents 3.9% of the total number of civil servants.

**Table 4: Agricultural sector ministry personnel\***

Classification of Personnel	MoAE	MoLH	TOTAL
Ministerial Offices and other Political Personnel	20	15	35
Civil Servants	1,177	692	1,869
Sworn Officers (Military)	96	11	107
Trainees	396	196	592
TOTAL	1,689	914	2,603
%	65%	35%	100%

\*Excluding contract employees and laborers

Source: Payroll Office, MoF

52. **Other Ministries.** Rural road expenditures included in the budget of *the Ministry of Infrastructure and Transportation* (MoIT) are not ignored by this Review but are treated separately, for two reasons: (i) since they are not included in the analysis using CAADP's COFOG methodology, their inclusion would make international comparisons impossible, especially, as will be shown later, they represent significant amounts in Chad; and (ii) for the period under review, they have not always been the responsibility of the MoIT (before 2007, they were the responsibility of the Ministry of Agriculture and Irrigation). The other ministry involved is *the Ministry of Spatial Planning, Decentralization, and Local Freedoms* (MoSP) for certain projects such as community development projects and spatial planning or regional development, of which certain components cover agricultural, pastoral, or fishing production. However, these projects are not far-reaching and are not therefore included in this Review.

### 2.3 General Context of Agricultural Budget Allocations in Chad

53. The budget allocations of each ministry included in the annual Budget Law break down in the following manner in relation to the internal ministerial structures:
- Central level:* Cabinet, General Secretariat (GS), and Central Administration (Administrative and Financial Directorate – AFD, Directorate of Economic Planning and Programming (DEPP), including statistics and monitoring, and Technical Directorates;<sup>13</sup>
  - Decentralized level:* Regional Delegations (RD)<sup>14</sup> located at the regional level, prefecture or sub-prefecture level, or the inter-regional level according to the ministries involved; and
  - Autonomous Semi-Private Organizations:* For the two main ministries involved in agriculture and rural development, these organizations and programs are as follows: ITRAD, ONDR, ONASA, SODELAC, NFSP for the MoAE, and IRED for the MoLH.
54. The Cabinet, the GS, the Central Directorates, and the RDs have separate budget lines for their contractual personal expenses, operating costs, and investments from both internal and external sources. Civil service personnel made available to ministries come directly under the GS budget, which is accounted for globally for the entire civil service at the level of the Payroll Office of the Ministry of Finance and Budget (MoF). The budget for affiliated agencies and autonomous programs is included in the transfers and subsidies budget item, which constitutes their main source of financing.<sup>15</sup> Under this line item, these entities pay for their operating costs, contractual personal costs, and a portion of their investments. As with the central directorates and the RDs, civil service personnel made available come directly under the GS budget of the relevant ministry.

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<sup>13</sup> To pare the list down to only COFOG expenditures, expenditures associated with certain technical directorates were not included.

<sup>14</sup> The MoAE has regional delegations in each of the country's 23 regions, with services and branches at lower levels (prefecture and sub-prefecture). The regional delegations of the other ministries (particularly the MoLH) often cover several regions.

<sup>15</sup> Their other resources come from their own profits from the sale of goods and services.

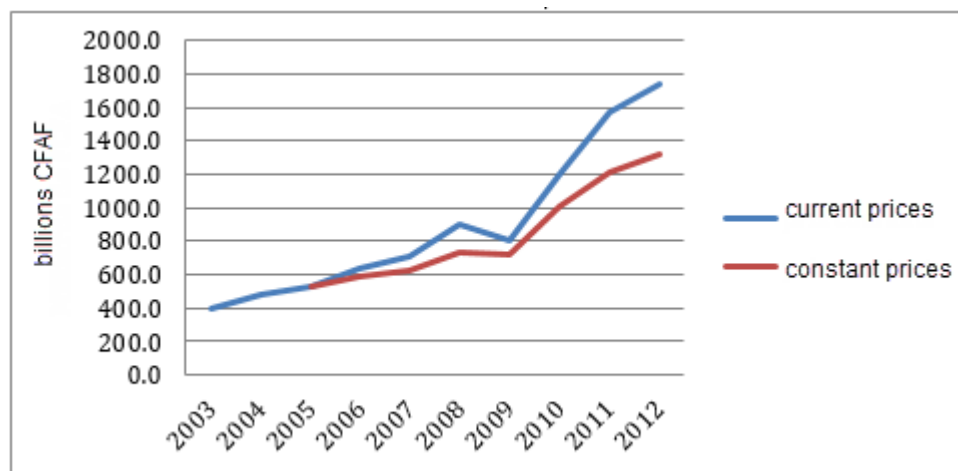
## CHAPTER 3. CHANGES IN PUBLIC EXPENDITURES IN AGRICULTURE

55. This chapter first presents overall changes in the country's total spending. It then details changes in spending in the agricultural sector as defined by COFOG at both current and constant prices.<sup>16</sup> Changes in expenditures and the execution rate for the sector can thus be tracked against those same figures for total public expenditures. Calculations for COFOG-defined agricultural expenditures as a percentage of total expenditures, agricultural GDP, and overall GDP are also provided. These calculations permit country-by-country comparisons based strictly on COFOG-defined expenditures. The same percentages are then calculated for total spending by the two ministries in the agricultural sector using the COFOG definition of expenditures and the definition of expenditures used by the Chad government and some donors, which includes expenditures in agriculture, rural development, and food security.

### 3.1 Changes in Total Public Spending

56. **Budgeted Funds.** Graph 1 shows the change in the Chad government's total budgeted funds for the 2003-2012 period. These budgeted funds show an upward trend for this period, growing on average by 19% per year at current prices. This growth continued into 2013 since according to the supplementary budget law (LFR), the budgeted funds for that year were 4.6% higher than those of 2012. Total funds fell in 2009 due to: (i) the world economic crisis, which had a negative impact on Chad's petroleum revenues; and (ii) socio-political instability, which led to a general economic downturn in the country. These two factors resulted in lower investment, especially externally financed investment.

**Graph 1: National budget: budgeted funds (LFR) (2003-2012, current and constant prices)**



57. **Budget Execution.** Graph 2 shows the planned budget execution from the supplementary budget law compared with actual budget execution (including off-budget externally financed investment expenditures), and Table 4 shows the national budget execution rate

<sup>16</sup> Deflator (GDP in current prices vs. GDP in constant prices) used for the period under review:

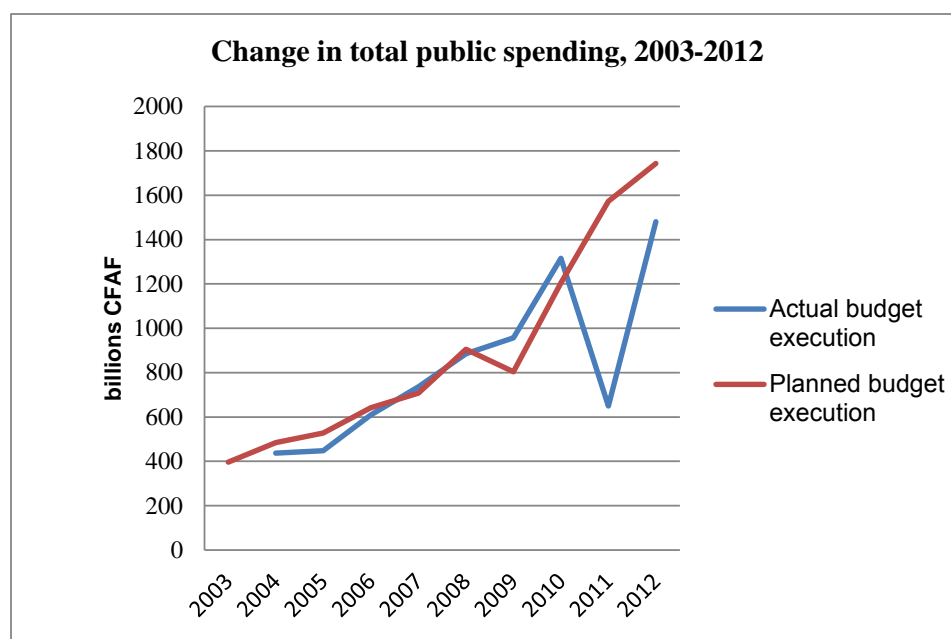
2005	2006	2007	2008	2009	2010	2011	2012
1.0	1.1	1.1	1.2	1.1	1.2	1.3	1.3

Source: INSEED



during the 2003-2012 period, including and excluding externally financed investment expenditures. Over this period, the average budget execution rate was 92% when externally financed investment disbursements are taken into account. This rate rose consistently from 2003 to 2010 due in part to improved budgetary management in the country. The average budget execution rate exceeded 100% in 2009 and 2010 but fell considerably (to below 41%) in 2011. This decline can be explained by the contraction in available funds imposed by the country's austerity measures. The average budget execution rate returned to a near average level of 85% in 2012. The execution rate excluding externally financed disbursements tracked the same progression. However, this execution rate averaged 72.4% only during the period under review.

**Graph 2: National budget: Planned budget execution vs. actual budget execution (excluding and including externally financed expenditures) (2003-2012)**



**Table 5: Execution rate of the national budget including and excluding externally financed investment expenditures**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>									
Funds	484	527	641	707	905	804	1,204	1,573	1,744	899
<b><i>Budget Execution Rate Excluding Externally Financed Investment Expenditures</i></b>										
Expenditures	241	247	452	647	806	842	1,186	465	1,237	680
Execution rate	49.8%	46.8%	70.5%	91.5%	89.0%	104.7%	98.5%	29.5%	70.9%	72.4%
<b><i>Budget Execution Rate Including Externally Financed Investment Expenditures</i></b>										
Expenditures	437	447	609	736	885	957	1,316	649	1,480	835
Execution rate	90.2%	84.8%	94.9%	104.1%	97.8%	118.9%	109.3%	41.3%	84.9%	91.8%

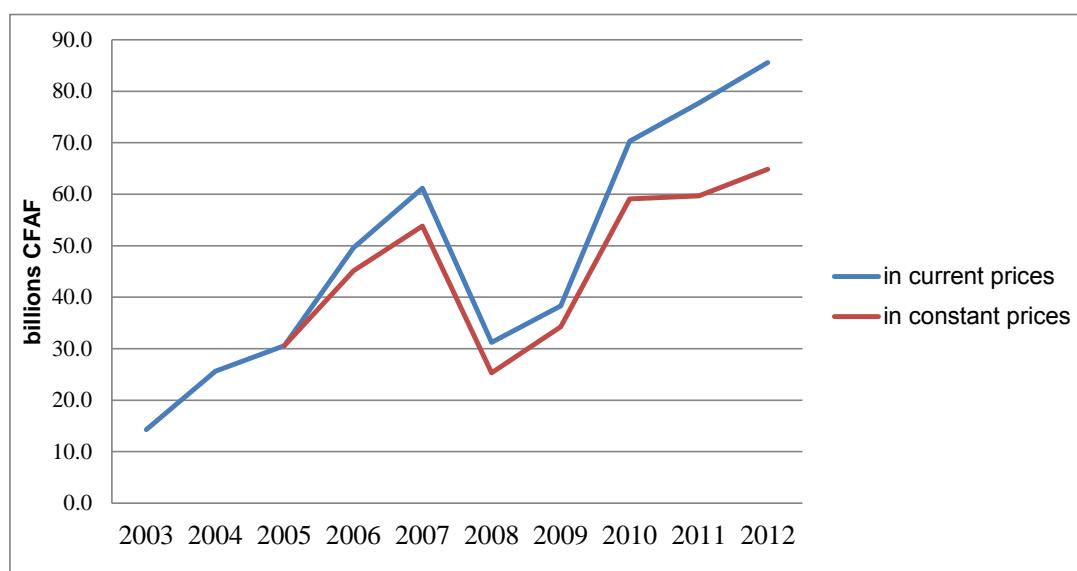
Source: Budgeted funds: Supplementary budget law (LFR)

Budgeted expenditures: CES (general budgeted expenditures) and MoPIC (externally financed investment expenditures)

### 3.2 Changes in Spending by the Two Agricultural Sector Ministries

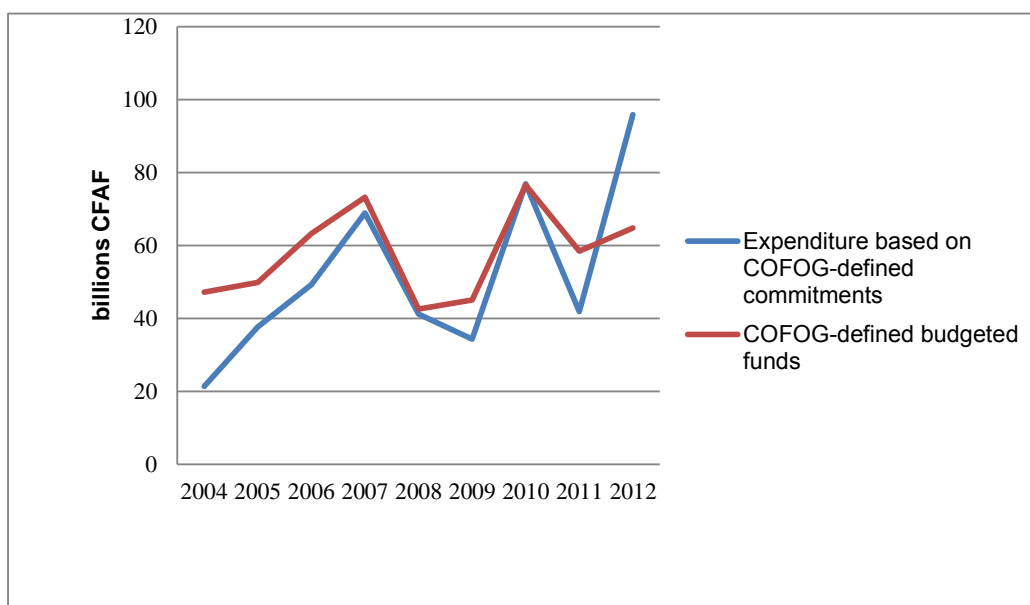
58. This section presents the change in LFR-budgeted funds and commitments (CES) and disbursements (MoPIC) related to agriculture (as defined by COFOG) by the MoAE and the MoLH using data drawn from sections of the MoF's annual budget and from the CES. Included in these commitments are COFOG-defined expenditures for externally financed agricultural investment not included in the CES (off-budget expenditures) and provided by the MoPIC. These investment expenditures are detailed in [Chapter IV](#).
59. **Budgeted Funds.** [Graph 3](#) shows the change of overall LFR-budgeted funds for the two agricultural sector ministries (MoAE and MoLH) for the 2003-2012 period. The budgeted funds of these ministries show an upward trend for this period, growing on average by 23.3% per year in current prices, which was slightly higher than the average yearly growth for the national budget. This growth continued into 2013 since the budgeted funds (LFR, in current prices) for that year was 17.8% higher than that of 2012. Total funds fell in 2008 and again in 2009 to a greater extent than the national budget due to: (i) the world economic crisis, which had a negative impact on Chad's petroleum revenues; and (ii) socio-political instability that led to a general economic downturn in the country. These two factors were responsible for a decline in agricultural expenditures that was greater than the decline in total public expenditures, especially for externally financed expenditures.

**Graph 3: Agricultural sector ministries (MoAE and MoLH): Budgeted funds (2003-2013, current and constant prices)**



60. **Budget Execution.** [Graph 4](#) shows the budgeted funds relative to commitments, and [Table 5](#) shows the national budget execution rate for the 2003-2012 period. Over this period, the average budget execution rate of the MoAE and the MoLH was 87.3%, noticeably less than the average execution rate for the national budget, which reached 91.8%. This rate showed an upward trend but with wide fluctuations from one year to the next. At 100.5%, the execution rate was very high in 2010, though it fell to 71.7% the following year as a result of the contraction in available funds, as prescribed by the country's austerity measures. However, it grew robustly in 2012 when external financing resumed. It should be noted that the execution rate excluding externally financed investments remained very low for this period (at 58.9%) and noticeably lower than the national budget execution rate (at 72.4%).

**Graph 4: Agriculture sector ministries (MoAE and MoLH): Budgeted funds (LFR) compared with commitments and disbursements (CES and MoPIC), 2004-2012**



**Table 6: Execution rate of MoAE and MoLH budget (2004-2012)**

billions CFAF	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>									
Funds	47.2	49.8	63.2	73.2	42.6	45.0	76.5	58.4	64.8	57.9
<b><i>Budget Execution Rate Excluding Externally Financed Investment Expenditures</i></b>										
Expenditures	9.8	15.3	29.4	46.5	28.5	23.0	63.1	21.8	69.9	34.1
Execution rate	20.8%	30.7%	46.5%	63.5%	66.9%	51.1%	82.5%	37.3%	107.9%	58.9%
<b><i>Budget Execution Rate Including Externally Financed Investment Expenditures</i></b>										
Expenditures	21.4	37.7	49.2	68.9	41.2	34.4	76.9	41.9	95.9	51.9
Execution rate	45.3%	75.6%	77.8%	94.1%	96.7%	76.3%	100.5%	71.7%	148.1%	87.3%

Source: Budgeted funds: LFR (sections of MoF's annual budget); Budgeted expenditures: expenditure commitments (CES) + disbursement of externally financed investments (MoPIC)

### 3.3 Summary of Public Expenditures in Agriculture

61. This section presents a summary of the expenditures of the two agricultural sector ministries (MoAE and MoLH), calculated first using the COFOG definition of expenditures and then using a definition that includes expenditures in agriculture, rural development, and food security (i.e., the total budgeted and off-budget expenditures of these ministries). This makes it possible to calculate the two sector ministries' expenditures as a percentage of total public expenditures and to make other relevant calculations, such as MoAE and MoLH expenditures as a percentage of agricultural GDP, and overall GDP. These percentages can be used to make country-by-country comparisons: (i) based strictly on COFOG-defined expenditures (which is useful for meeting the objectives of the Maputo Declaration on Agriculture and Food security and other budgetary objectives); and (ii) based on a broader

definition of expenditures that includes agriculture, rural development, and food security expenditures, using the criteria of some donors such as the FAO and the Chad government.

### Summary of COFOG-Defined Public Agricultural Expenditures and Country-by-Country Comparisons

62. *MoAE and MoLH Spending as a Share of Total Public Spending.* COFOG-defined expenditures by the two agricultural sector ministries as a share of total public expenditures are presented in Table 7 below. This table also shows these expenditures as a percentage of agricultural GDP and overall GDP, which can be used for country-by-country comparisons of COFOG-defined expenditures (see Table 8 below). Using this classification, expenditures were calculated based on sectoral budgets net of revenue from affiliated agencies and net of ONASA food aid expenditures (considered ineligible under COFOG). Off-budget externally financed expenditures are included in the budgeted investment expenditures.

**Table 7: Summary of COFOG-defined public expenditures in agriculture (% of total budget, agricultural GDP, GDP)**

Item/Years	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>									
Expenditures by sector ministries*	21.4	37.7	49.2	68.9	41.2	34.4	76.9	41.9	95.9	51.93
(Revenues from affiliated agencies)	(1.0)			(1.8)	(0.5)	(1.2)	(4.1)	(7.8)	(2.6)	(2.1)
(ONASA transfers)	(2.1)	(2.4)		(2.0)			(14.4)	(6.1)		(5.4)
Net sector expenditures	18.3	35.3	49.2	65.1	40.7	33.2	58.4	28.0	93.3	46.82
Total budget	437	447	609	736	885	957	1,316	649	1,480	835
<b>% Net sector expenditures/Total budget</b>	<b>4.18%</b>	<b>7.89%</b>	<b>8.08%</b>	<b>8.84%</b>	<b>4.59%</b>	<b>3.47%</b>	<b>4.44%</b>	<b>4.31%</b>	<b>6.30%</b>	<b>5.79%</b>
Agricultural GDP	534	911	1,068	1,115	1,128	1,141	1,378	1,227	1,524	1,114
<b>% Net sector expenditures/Agricultural GDP</b>	<b>3.42%</b>	<b>3.87%</b>	<b>4.61%</b>	<b>5.84%</b>	<b>3.61%</b>	<b>2.91%</b>	<b>4.24%</b>	<b>2.28%</b>	<b>6.12%</b>	<b>4.10%</b>
GDP	1,436	3,506	3,881	4,140	4,636	4,369	5,285	5,736	6,446	4,382
<b>% Net sector expenditures/GDP</b>	<b>1.27%</b>	<b>1.01%</b>	<b>1.27%</b>	<b>1.57%</b>	<b>0.88%</b>	<b>0.76%</b>	<b>1.11%</b>	<b>0.49%</b>	<b>1.45%</b>	<b>1.09%</b>

\*These expenditures represent budgeted expenditures plus off-budget externally financed investment expenditures.

**Table 8: Country-by-country comparison of budget transfers to agriculture**

Region/Country	Contribution of Agriculture to GDP	Agricultural Spending as Share of GDP	Agricultural Spending as Share of Agricultural GDP
<b>High-Income Countries</b>			
Australia	3.0%	0.3%	10%
Canada	2.3%	0.5%	22%
European Union	2.3%	0.7%	28%
USA	1.6%	0.7%	46%
<b>Middle-Income Countries</b>			
Turkey	13.0%	2.0%	15%
Mexico	4.0%	0.7%	18%

Venezuela	5.0%	0.5%	12%
China	15.0%	1.2%	8%
Brazil	9.3%	0.7%	8%
Russia	6.0%	1.0%	16%
Ukraine	11.6%	1.3%	11%
<b>Low-Income Countries</b>			
Burkina Faso (2004-2011)	33%	2.7%	8.2%
Ethiopia	44%	2.7%	6%
Guinea (2003-2012)	22%	1.5%	6.8%
Uganda	32%	1.5%	5.7%
<b>Chad (2003-2012)</b>	<b>26.5%</b>	<b>1.1%</b>	<b>4.1%</b>
Kenya	29%	1.3%	4%
Tanzania	45%	1.2%	3%

Note: Unless otherwise indicated, data shown in this table are taken from the period 2002-2011. For Chad, the period covered is 2003-2012.

Source: World Bank and authors' calculations for Chad

63. Over the 2003-2012 period, public COFOG-defined expenditures in agriculture represented: (i) 5.7% of total public expenditures; (ii) 4.1% of agricultural GDP; and (iii) 1.1% of GDP. These figures put Chad at the bottom of the bracket for Sub-Saharan countries in terms of support to the agricultural sector when using COFOG definitions. To achieve levels of support consistent with the top of the low-income country bracket, i.e., 8% of agricultural GDP, and to meet the Maputo target of 10% of national expenditures devoted to agriculture, Chad must double agricultural expenditures, with net commitments of CFAF 120 billion per year. Yet this would still fall short of covering the proactive needs of the ongoing National Rural Sector Investment Program (PNISR), which is estimated at CFAF 2,800 billion for the 2014-2012 period, or approximately CFAF 400 billion per year.<sup>17</sup>

### Summary of Public Expenditures on Agriculture, Rural Development, and Food Security

64. The calculations made in the previous section based on COFOG-defined expenditures for agriculture were also made for this section based on an alternative definition that includes public expenditures on agriculture, rural development, and food security. [Table 9](#) below presents a summary of these calculations.

**Table 9: Summary of public expenditures in agriculture, rural development, and food security (% of total budget, agricultural GDP, GDP)**

Item/Years	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
Total sector ministries expenditures (MoAE and MoLH)	44.2	74.5	69.3	85.1	69.1	61.8	105.5	71.0	139.8	80.02
Total budget	436.7	447.3	608.9	736	885	956.6	1,315.8	649	1,480.2	835
% Sector expenditures/ Total budget	10.12%	16.66%	11.39%	11.56%	7.81%	6.46%	8.01%	10.93%	9.44%	10.26%
Agricultural GDP	533.9	910.7	1,068.4	1,114.8	1,127.5	1,140.7	1,377.9	1,227.4	1,523.9	1,113.9
<b>% Sector expenditures/Agricult</b>	<b>8.28%</b>	<b>8.18%</b>	<b>6.49%</b>	<b>7.63%</b>	<b>6.13%</b>	<b>5.41%</b>	<b>7.65%</b>	<b>5.78%</b>	<b>9.17%</b>	<b>7.19%</b>

<sup>17</sup> Source: FAO PNISR figures for financing needs (preliminary estimates)

<b>ural GDP</b>										
GDP	1,435.9	3,505.9	3,880.9	4,140.2	4,635.7	4,369.4	5,284.5	5,736.1	6,445.9	4381.6
<b>% Sector expenditures/ GDP</b>	<b>3.08%</b>	<b>2.13%</b>	<b>1.79%</b>	<b>2.06%</b>	<b>1.49%</b>	<b>1.41%</b>	<b>2.00%</b>	<b>1.24%</b>	<b>2.17%</b>	<b>1.93%</b>

65. Using this broader classification, the share of expenditures in agriculture, rural development, and food security rises to 10.26% when compared to the national budget, to 7.2% when compared to agriculture and livestock's share of GDP, and 1.93% when compared to total GDP. This puts Chad at the upper end of the lower-income bracket of Sub-Saharan countries. However, this comparison is not valid since these figures are calculated using different bases.

## CHAPTER 4. COMPOSITION OF PUBLIC EXPENDITURES IN AGRICULTURE

66. This chapter describes the administrative, economic, and functional composition of total public and COFOG-defined expenditures by the two agricultural sector ministries. These expenditures are compared, and the various headings are analyzed. The chapter then details how expenditures are allocated at the national and subnational level. The accounts of affiliated agencies and the NFSP are reviewed at the end of the chapter.

### 4.1 Administrative composition of public spending

#### Distribution of Budget Resources between the Two Agricultural Sector Ministries

67. *Share of Budgeted Funding Allocated to Each Agricultural Sector Ministry.* Table 10 compares the budgeted funding (at current prices) allocated to the two agricultural sector ministries for the 2003-2012 period. The predominance of the MoAE emerges clearly from this comparison. The MoAE's budgeted funding accounted for 66% of total funding for sector ministries, whereas the MoLH's budgeted funding made up only 34%. It should be noted that if spending by the former Ministry of Agriculture and Irrigation (MoAI) and the former Ministry of Pastoral Development and Animal Production (MoPDAP) are considered agricultural and livestock expenditures (respectively), the MoAI's share is 79%, and the MoPDAP's share is 21% of total funding allocated to the sector. These alternative figures confirm the predominance of budget allocations to agriculture relative to livestock.

**Table 10: Budgeted funds for the two agricultural sector ministries (LFR, 2003-2012)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average	%
	<i>billions CFAF</i>											
Ministry of Agriculture and Environment (MoAE)	10.7	16.1	21.4	35.9	42.7	13.0	21.3	54.7	45.7	58.7	32.0	66%
Ministry of Livestock and Hydraulics (MoLH)	3.6	9.5	9.2	13.7	18.5	18.2	17.0	15.6	32.0	26.8	16.4	34%
<b>Total</b>	<b>14.3</b>	<b>25.6</b>	<b>30.6</b>	<b>49.6</b>	<b>61.2</b>	<b>31.2</b>	<b>38.4</b>	<b>70.3</b>	<b>77.7</b>	<b>85.6</b>	<b>48.5</b>	<b>100%</b>

#### National and Subnational Distribution of Budgeted Funding (Non-Wage Current Expenses and Payroll)

68. The national and subnational breakdown of budgeted funding for agricultural sector ministries is shown in Table 11 below. These allocations were calculated using LFR data for the former Ministry of Agriculture and Irrigation (MoAI) and the former Ministry of Pastoral Development and Animal Production (MoPDAP). These figures were used because a national/subnational breakdown was not available from the CES for the MoAE and the MoLH. Even when using this workaround, an analysis of the data still shows that resources remain excessively centralized. For the 2003-2012 period, 96% of total budgeted funds for sector ministries was spent on the payroll and the non-wage current expenses of central administrations, and only 4% was spent by agencies overseen by the Regional Delegations.

**Table 11: Budgeted funds for current expenditures (wage + non-wage) at the national and subnational level (M0AI + MoPDAP, average, 2003-2012)**

Budgeted Funds for Current Expenditures (Wage + Non-wage)	MoAI + MoPDAP / Average 2003-2012	
	billions CFAF	%
Central administration	12.29	96%
Regional delegations	0.48	4%
<b>Total Current Expenditures</b>	<b>12.77</b>	<b>100%</b>
<b>Total budget</b>	<b>63.90</b>	<b>-</b>
<b>% Total budget</b>	<b>-</b>	<b>20%</b>

Source: Supplementary Budget Law (LFR)

Note: Figures in the table were calculated based on data for the former MoAI and MoPDAP. Regional-level expenditures by affiliated agencies were not taken into account, except for salaries for seconded personnel paid out of the payroll budget of sector ministries.

### Affiliated Agencies and the NFSP

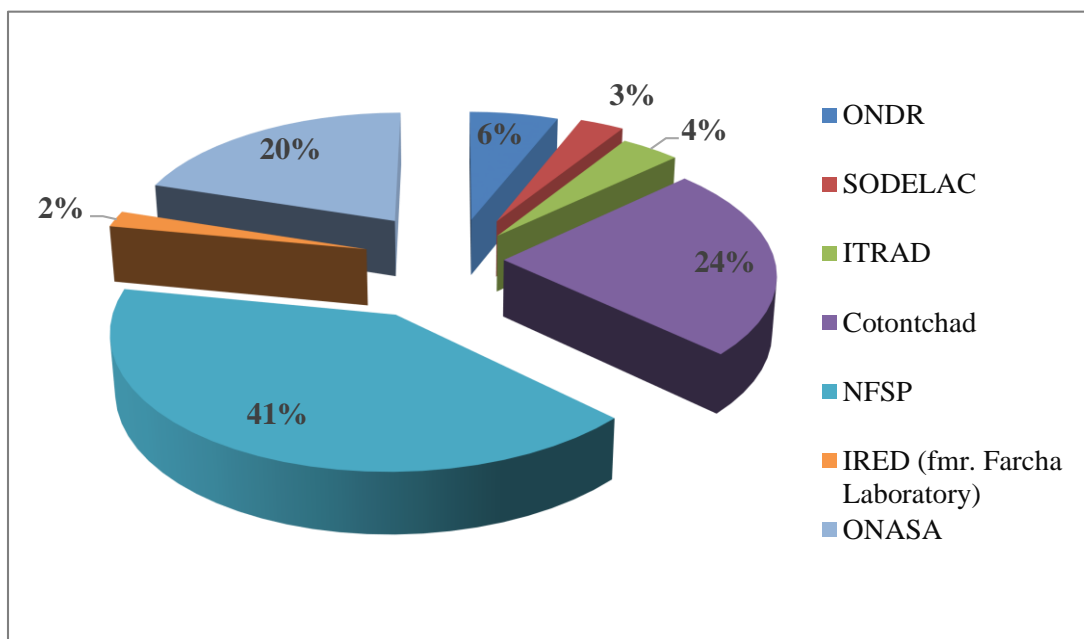
69. *Affiliated Agencies and the NFSP.* The following are the MoAE-affiliated agencies: (i) the National Office for Rural Development (ONDR), which provides agricultural extension; (ii) the Institute for Agricultural Research for Development of Chad, (ITRAD); (iii) the National Bureau of Food Security (ONASA), which provides food aid; and (iv) the Lake Chad Development Corporation, (SODELAC), tasked with the development of Lake Chad. Other agencies affiliated with the MoAE are Cotontchad and the National Food Security Program (NFSP). Affiliated with the MoLH is Chad's Livestock and Development Research Institute (IRED). The following tables show the percentage of funds allocated to each of these affiliated agencies as a share of total funds allocated to its ministry and as a share of total funds allocated to the agricultural sector ministries combined. Revenues from ITRAD and NFSP are also presented. Detailed descriptions for the NFSP and each of the affiliated agencies are then provided.

**Table 12: Expenditures by affiliated agencies as a percentage of their supervising ministry expenditures and of total agricultural sector expenditures (average 2005-2012)**

	NFSP	ONASA	Coton-tchad	ONDR	SODELAC	ITRAD	IRED
<b>MoAE-affiliated agencies</b>							
Expenditures (CFAF billions)	9.67	4.85	5.69	1.47	0.61	0.87	
% of MoAE expenditures	15.60%	7.80%	9.20%	2.40%	1.00%	1.40%	
<b>MoLH-affiliated agencies</b>							
Expenditures (CFAF billions)							0.52
% of MoLH expenditures							4.30%
<b>% of MoAE + MoLH expenditures</b>	13.10%	6.60%	7.70%	2.00%	0.80%	1.20%	0.7%



**Figure 1: Relative weights of expenditures by affiliated agencies as a share of total agricultural sector expenditures (average 2005-2012 period).**



Note: The average is calculated based on the eight years between 2005 and 2012 due to the fact that the NFSP was only launched in 2005. NFSP's commitments for 2012 were estimated conservatively at CFAF 25 billion out of a planned budget of CFAF 28 billion. In fact, the level of commitments in the first quarter was already CFAF 13 billion, and NFSP's spending has always closely matched allocated funds.

**Table 13: Revenues from affiliated agencies: 2003-2012**

	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>						
ITRAD	0.997	0.153	0.324	0.819	1.045	1.585	<b>0.8205</b>
NFSP		0.312	0.826	1.063	1.063	1.063	<b>0.8654</b>
<b>Total Revenues</b>	<b>1.00</b>	<b>0.47</b>	<b>1.15</b>	<b>1.88</b>	<b>2.11</b>	<b>2.65</b>	<b>1.54</b>

70. **NFSP.** The National Rural Sector Investment Program (NFSP) shows by far the largest budget expenditures among affiliated agencies, at an average of 13.1% of total combined MoAE and MoLH expenditures, or close to CFAF 10 billion per year for the 2005-2007 period. It should be noted that unlike affiliated agencies, NFSP is not a legal entity but an independent program created in 2007 to directly address the issue of food security. Its broad and ambitious objective is to contribute to eliminating hunger and to encourage the creation of an environment favorable to food and nutritional security for the entire population without discrimination at the national level. The work carried out by the NFSP seeks to sustainably increase productivity and production levels combined with measures likely to guarantee the population's access to food while preserving natural resources. The NFSP is considered both an essential tool for implementing the PRS in the rural sector and an immediate response to the issues of rural food insecurity and poverty. This program also forms a strategic framework for promoting the overall objectives of rural development geared specifically toward establishing food security in Chad by 2015. The cost of the first phase of the NFSP (2005-2012) was approximately CFAF 67 billion. Its strategic pillars are: (i) the

intensification and diversification of crop, livestock, and fishery production; (ii) the development of natural resources; (iii) the creation of a national food security reserve and the implementation of a monitoring and alert system; (iv) health and nutrition; and (v) communication, including a geographical information system.

71. The NFSP is financed out of the MoAE's budget. Spending by the NFSP represents 15.6% of the MoAE's total expenditures for the 2005-2012 period and covers a wide range of activities (see [Table 14](#) below). However, the NFSP does not directly carry out these activities. Other agencies (e.g., the ONDR) are tasked with actual implementation, or the private sector is called upon to provide subcontractors, such as those hired for hydro-agricultural projects. The NFSP also purchases equipment and inputs, which it resells at subsidized prices to agencies working with it, thereby generating revenues that help it meet its current expenses. The largest source of revenues is derived from payments by the ONDR from reselling inputs (i.e., approximately 6,000 metric tonnes for the 2005-2012 period) and agricultural equipment to producers. These revenues are not transferred to the Treasury but directly to accounts managed by the NFSP itself. These funds alleviate problems with the unavailability of funds with which to pay suppliers and transporters and therefore avoid delays in distributing products and equipment countrywide.

**Table 14: Composition of the NFSP budget (2005-2012)**

Heading	Amount (CFAF billions)	%
<b>EXPENDITURES</b>		
▪ Development of natural resources (hydro-agricultural, farm, and village water supply projects)	35.935	53%
▪ Intensification and diversification of plant, animal, and fishery production	16.594	24%
▪ Health and nutrition, food aid, and monitoring system	2.276	3%
▪ Extension measures	3.836	6%
▪ Operational expenses	9.205	14%
<b>TOTAL</b>	<b>67.846</b>	<b>100%</b>
<b>FUNDING</b>		
▪ Funds allocated by the MoAI	62.52	92%
▪ Generated revenues (sale of equipment and inputs)	5.326	8%

Source: NFSP Phase I Report

72. **ONASA.** The National Food Security Agency (ONASA) is an MoAE-affiliated agency created in 2001 to oversee food aid. With expenditures averaging CFAF 4.8 billion per year for the 2005-2012 period, the agency receives the second largest amount of funding from the MoAE, just behind the NFSP. Spending by ONASA represented 7.8% of MoAE expenditures and 6.6% of total MoAE and MoLH combined expenditures for the 2005-2012 period. However, ONASA provides only stop-gap food assistance to populations in need. Its activities therefore cannot be classified as structural in that they are not designed to support production prices or prevent production surpluses that cannot be absorbed by the market. For this reason, expenditures related to ONASA's activities must be excluded according to COFOG definitions. These expenditures were therefore deducted from the total COFOG-defined expenditures attributable to the agricultural sector.
73. **COTONTCHAD.** Cotton remains a high-priority sector in Chad given its importance in reducing poverty and in developing cotton-growing regions (see [Box 1](#) below). Cotontchad is a state-owned enterprise that manages the cotton industry. It is administratively and financially independent and is authorized to generate profits. Cotontchad receives funding from the national budget only during very specific periods, when it requires government

funds to cover deficits or to repay debt. This was the case for the 2005-2007 period, during which Cotontchad received total funds of almost CFAF 40 billion, with CFAF 21.7 billion disbursed in 2007 alone.

**Box 1: Continuing Crises in the Cotton Sub-Sector**

The cotton sub-sector, which dominated the rural economy for many years, appears to be emerging from a deep and persistent crisis. Three out of four cotton producers are poor. During the past decade, cotton production dropped dramatically, falling from 270,000 metric tonnes of cotton seed in 1997 to 180,000 metric tonnes in 2005 and continuing to fall to 47,000 metric tonnes in 2009. Production then recovered slightly, with an estimated volume of 105,000 metric tonnes in 2013 and a projected production of 130,000 metric tonnes for 2014. However, the challenges faced by the cotton sector in the past years are still present today, including: (i) the fall in world cotton prices accompanied by a strengthening of the CFA franc against the US dollar; (ii) the volume of outstanding payments from producers' organizations to Cotontchad, and (iii) institutional dysfunction within Cotontchad (e.g., payment delays, provision of inappropriate inputs, and delays in transferring cotton to factories). Despite these challenges, the major problem facing the industry is the bottleneck in production caused by low productivity resulting from obsolete agricultural practices and poor-quality seed. Many cotton producers are not only poor but also heavily indebted. These producers will gradually migrate to other sectors and seek to diversify their production toward more profitable crops. Although there is an urgent need for a plan of action, structural reforms remain unmet.

74. **ONDR, SODELAC, ITRAD, and IRED.** These agencies spend far less than the NFSP, ONASA, or Cotontchad, with combined expenditures for the 2005-2012 period representing only 4.7% of total combined MoAE and MoLH expenditures. In addition to the funds these agencies receive for current and capital expenditures, two of them, ONDR and ITRAD, also generate their own revenues from providing services (e.g., ONDR helps manage producers within specific projects as well as providing other services) or the sale of equipment and products (e.g., ONDR sells tractors on behalf of NFSP, and ITRAD sells pre-basic or basic seed). ITRAD also generates revenues from research or partnership contracts, as with CGIAR or foreign foundations. Revenues generated by ONDR and ITRAD are held directly in their own accounts and are not recorded in the national budget. Although these revenues constitute only a minor portion of their resources, they are important for these agencies in terms of availability of funds. These off-budget revenues were deducted from budgeted funds in calculating net COFOG-defined expenditures.<sup>18</sup>

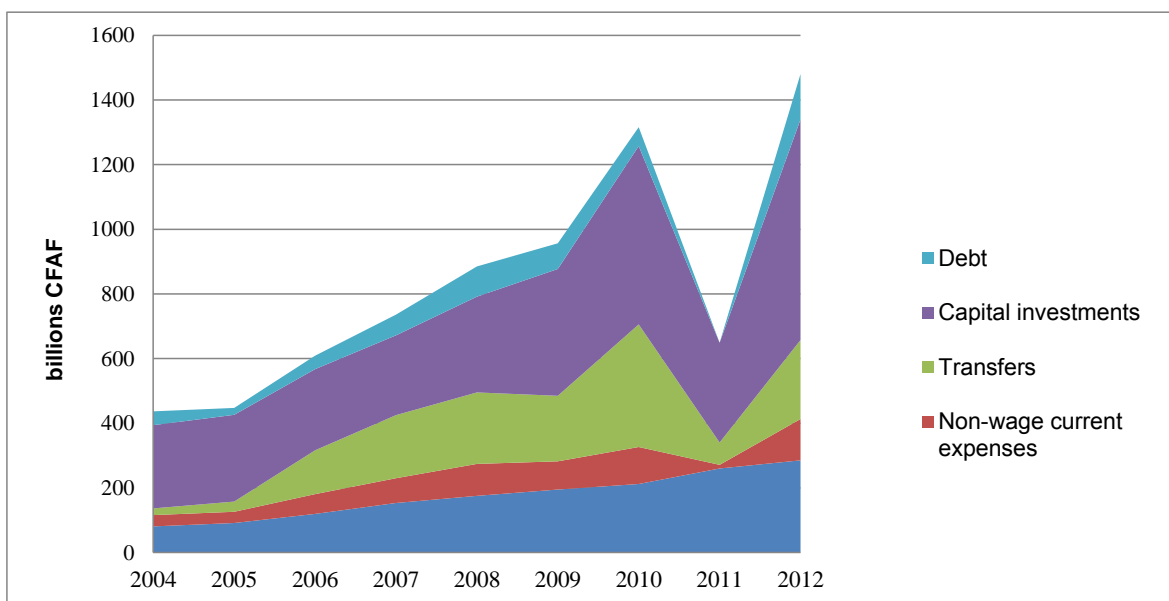
## 4.2 Economic Composition of Expenditures by the Two Agricultural Sector Ministries

75. Graphs 5 and 6 and Figures 2 and 3 below show (respectively) the economic composition of: (i) total public expenditures, and (ii) COFOG-defined expenditures in agriculture under four headings: Capital Investments, Transfers, Non-wage Current Expenses, and Payroll (while

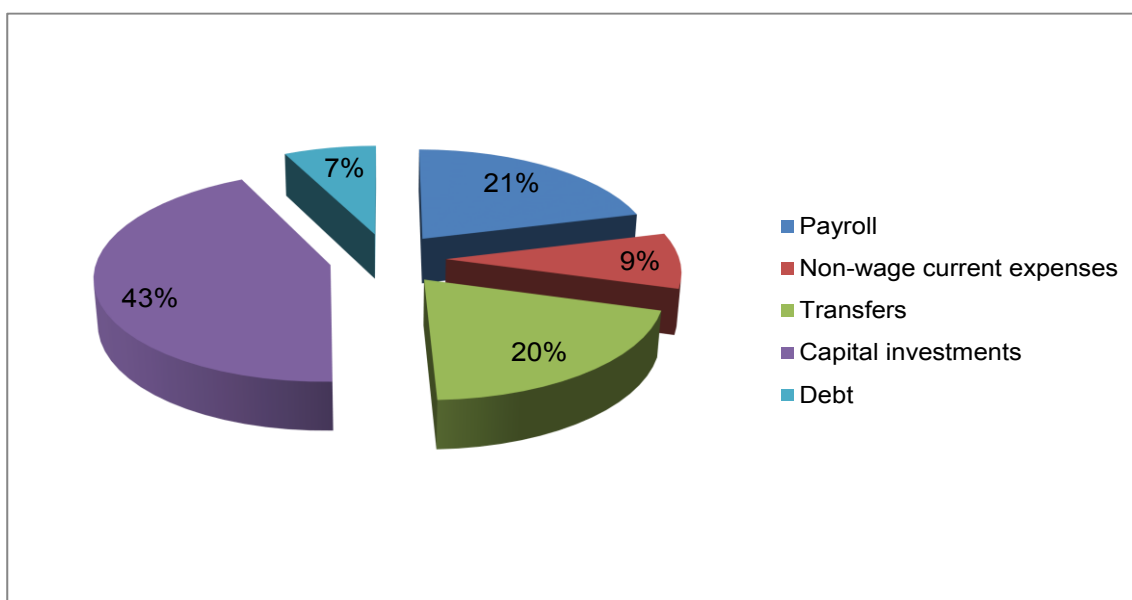
<sup>18</sup> Note that the Agricultural Science and Technology Indicators (ASTI) initiative implements a system for tracking expenditures in technological research and development in agriculture under the aegis of the Consultative Group for International Agricultural Research (CGIAR). Further information can be obtained at [www.asti.cgiar.org](http://www.asti.cgiar.org). In terms of funds received by research agencies, research in specific areas requested by CGIAR in each country and led by the national research system (represented by ITRAD and IRED in Chad) should be noted. Spending associated with these activities is reimbursed at the national level by CGIAR, thus constituting off-budget revenues. Their amount could not be obtained for ITRAD and IRED. However, these amounts are low and do not affect the overall results.

Debt is also a heading in the national budget). As in the previous chapter, included in these commitments were COFOG-defined expenditures for externally financed agricultural investments not included in the CES (off-budget expenditures based on data provided by the MoPIC). Externally funded investment expenditures (COFOG and non-COFOG) are detailed in Chapter V.

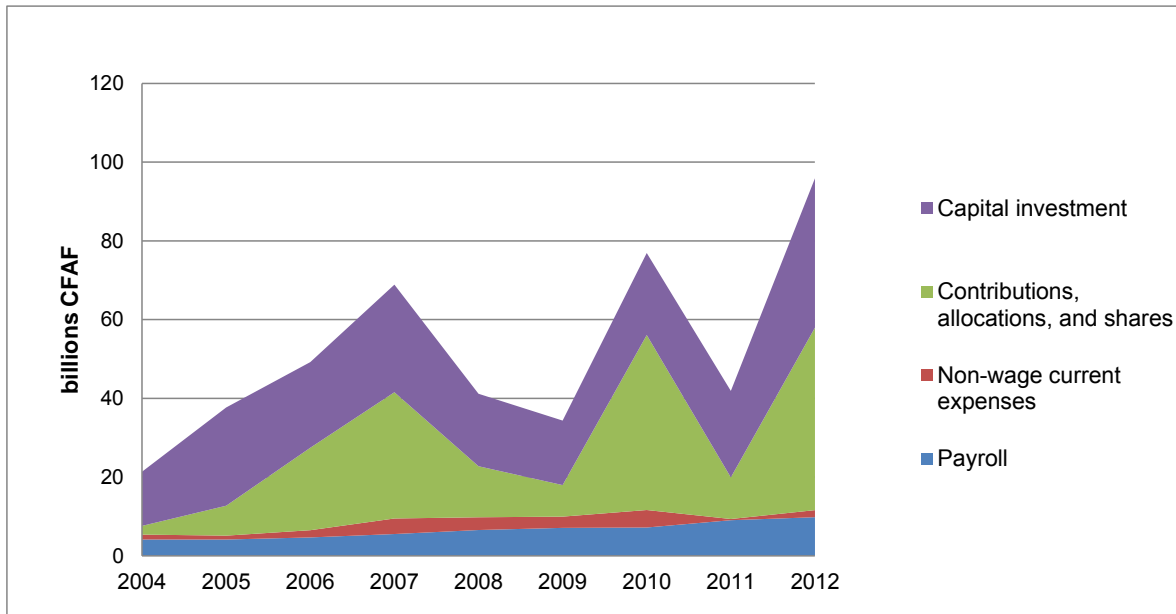
**Graph 5: Economic composition of total public expenditures (2004-2012, based on commitments)**



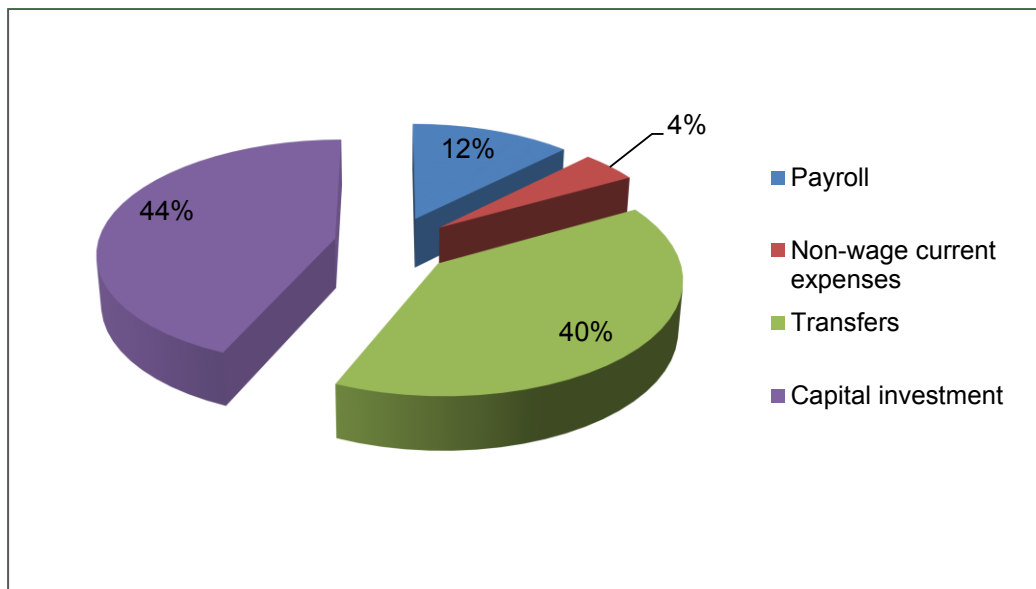
**Figure 2: Economic composition of total public spending (2004-2012, based on commitments)**



**Graph 6: Economic composition of COFOG-defined agricultural expenditures (MoAE and MoLH) (2003-2012)**



**Figure 3: Economic composition of COFOG-defined agricultural expenditures (MoAE and MoLH) (2003-2012)**



### Wage and Non-wage Current Expenses

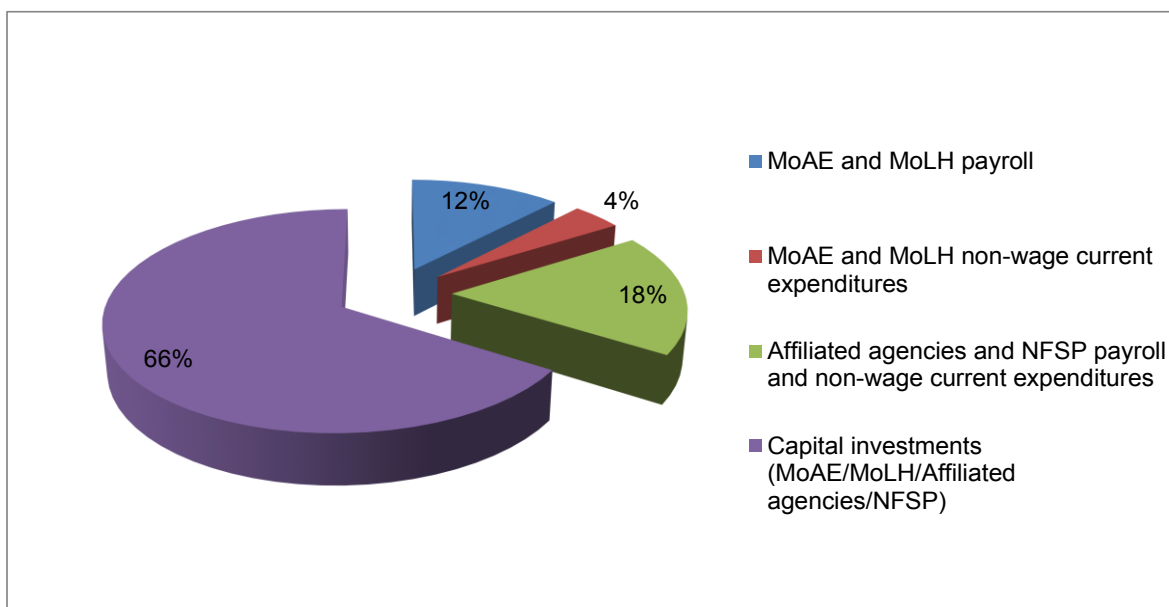
76. The payroll of agricultural sector ministries represents 12% of total sector expenditures, whereas non-wage current expenses represent only 4%. These ratios compare unfavorably with spending at the national level, where the payroll constitutes 21% of total public expenditures and non-wage current expenses constitute 9%, demonstrating that sector ministries are relatively less well treated. It should be noted that, as for the entire public

sector in Chad, salaries for sector ministry personnel remain extremely low. Moreover, the public sector payroll is overloaded and aging. It should also be noted that very little is devoted to non-wage current expenses in these ministries. This extremely low level of non-wage current expenditures is a result of penury within administrative services, especially in terms of means of communications and transportation. Low salaries and the shortfall in operational resources in sector ministries mean that employees are unmotivated and lack the means to carry out assigned tasks properly. As detailed earlier in this report, affiliated agencies keep any revenues they generate. These funds are essential for mitigating the lack of funds for operational expenses, delays in budget disbursement, and economic downturns (such as in 2011 and 2012, during which operational funds all but dried up).

### **Transfers**

77. Transfers include all funds allocated to affiliated agencies and the NFSP for current and capital expenditures. The economic breakdown of expenditures by agricultural sector ministries shows that current transfers constitute a relatively large share (40%) of total sector expenditures. It should be noted that the percentage of current transfers as a share of total expenditures is far greater for agricultural sector ministries than for the government as a whole (20%), even though their percentage of investment as a share of total expenditures is comparable (43%). However, these figures are deceptive. In fact, for both agricultural sector ministries, current transfers are mostly used to finance capital investments. This is the case for the MoAE, whose expenditures include current transfers to the NFSP, which spends approximately 90% of its budget on capital investments. The other MoAE-affiliated agencies (ONDR, ITRAD, SODELAC, and IRED) all spend approximately 20% of their budgets on capital investments. The percentage of current transfers corresponding to capital investments can therefore be estimated at approximately 40% for the MoAE and the MoLH combined. Thus, spending on capital investments by agricultural sector ministries is more accurately estimated at 66% rather than 40% of total sector expenditures. This adjusted breakdown of the economic composition of agricultural sector expenditures is shown in [Figure 7](#) below. This is noticeably higher than the 43% of total public expenditures spent on capital investments unless a large proportion of transfers from other ministries are also used for capital investments.

**Figure 4: Adjusted economic composition of agricultural sector expenditures (MoAE and MoLH, 2003-2014 average)**



### Capital Investment Expenditures

78. **Methodology for Calculating Capital Investment Expenditures.** This section deals separately with capital investment expenditures due to the complexity of working with data from different sources (i.e., LFR, CES, MoPIC). To arrive at the amount of externally financed investment expenditures as defined by COFOG, the percentage of spending on economic activities (crop- and livestock-related) as a share of rural development expenditures had to be first determined. In fact, projects falling under the heading of Rural Development combine elements of production, social welfare, and basic infrastructure. Projects whose primary focus is social welfare (e.g., construction of health clinics, schools, boreholes, and wells) or infrastructure (e.g., development of feeder roads) are excluded under COFOG. A review of a representative sample of integrated rural development projects funded by various donors provided an estimate that 35% of spending on these types of projects meet the COFOG criteria.
79. It was not possible to use the same methodology to calculate internally financed capital investment expenditures as defined by COFOG since the CES does not provide expenditure data for individual projects. For this reason, it was not possible to tease out COFOG-defined expenditures by applying a coefficient to total expenditures. To simplify, it was decided that the percentage of COFOG-compliant expenditures as a share of externally financed investment expenditures would also be used to calculate the percentage of COFOG-compliant expenditures as a share of internally financed investment expenditures.
80. **Change in Total Externally Financed Investment Expenditures.** [Table 15](#) and [Graph 7](#) below show COFOG-defined expenditures for externally financed investment for the 2004-2012 period. These estimates were calculated by subtracting from total investment expenditures (source: MoPIC, see [Annex 1](#)) any expenditures considered non-eligible according to COFOG's definitions (i.e., 65% of total integrated rural development expenditures, expenditures on feeder roads, food aid, etc.). [Table 15](#) also shows the percentage of COFOG-defined expenditures as a share of total investment expenditures.

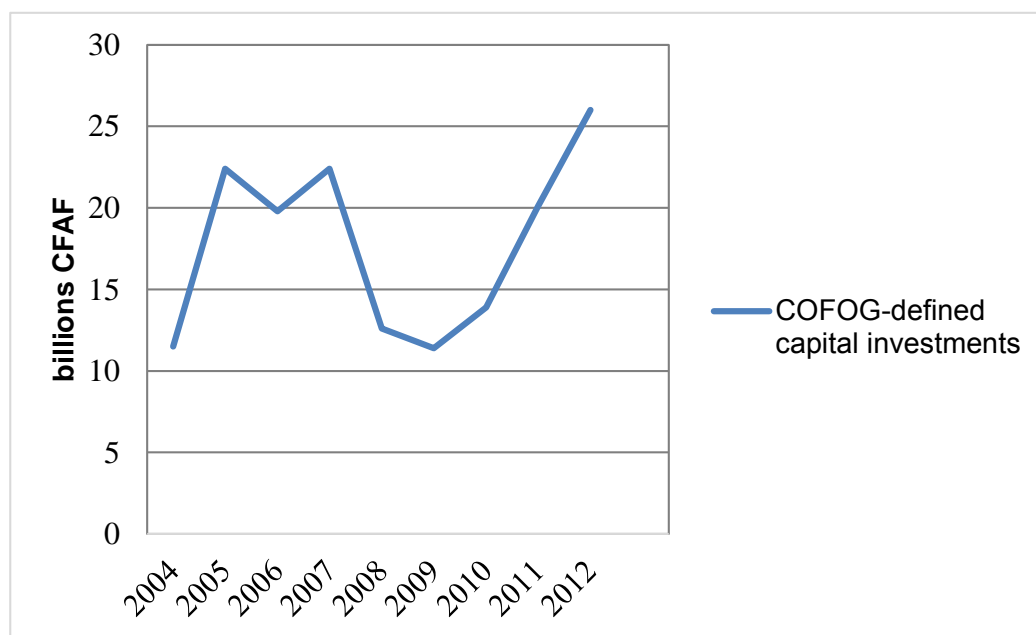
**Table 15: COFOG-defined agricultural sector expenditures for externally financed investments (MoAE and MoLH) (2004-2012)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>									
COFOG-Defined Expenditures	11.5	22.4	19.8	22.4	12.6	11.4	13.9	20.1	26.0	17.8
Total MoAE + MoLH Combined Expenditures	30.61	55.41	38.16	35.69	31.81	30.43	32.87	46.66	56.09	39.7
	<i>% of COFOG-Defined Expenditures as a Share of Total Sector Investment Expenditures</i>									
% of COFOG-Defined Expenditures as a Share of Total MoAE + MoLH Investment Expenditures	38%	40%	52%	63%	40%	38%	42%	43%	46%	45%

\* This percentage was used to calculate COFOG-defined expenditures for externally financed investments based on total expenditures data from CES (see [Table 16](#)).



**Graph 7: COFOG-defined agricultural sector expenditures for externally financed investments (MoAE and MoLH ) (2004-2012)**



81. Table 15 and Graph 7 show that COFOG-defined capital investment expenditures did not grow significantly over the ten years under review. Expenditures fluctuated considerably, from CFAF 22.4 billion in 2005, nearly halving to CFAF 11.4 billion in 2009, then strongly rebounding to CFAF 26 billion in 2012. It should be noted that the percentage of COFOG-defined expenditures as a share of total public spending remained stable at around 45%, with a small standard deviation.

82. **Breakdown of COFOG-Defined MoAE and MoLH Expenditures for Externally Financed Investments.** Table 16 shows the breakdown of COFOG-defined expenditures for externally financed investments by agricultural sector ministries. These figures again underline the MoAE's predominance. Accounting for 76% of total COFOG-defined expenditures for externally financed investments, the MoAE is allocated the lion's share of budgeted resources. This imbalance in externally financed investment expenditures in favor of the MoAE should be corrected since it does not correspond to a larger contribution by agriculture to overall GDP.

**Table 16: Breakdown of COFOG-defined agricultural sector expenditures for externally financed investments (MoAE and MoLH) (2004-2012)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average	%
	<i>billions CFAF</i>										
MoAE	8.8	17.1	15.0	17.4	9.9	8.3	10.6	15.3	19.8	13.6	76%
MoLH	2.7	5.3	4.8	5.0	2.7	3.1	3.3	4.8	6.2	4.2	24%
<b>Total</b>	<b>11.5</b>	<b>22.4</b>	<b>19.8</b>	<b>22.4</b>	<b>12.6</b>	<b>11.4</b>	<b>13.9</b>	<b>20.1</b>	<b>26.0</b>	<b>17.8</b>	<b>100%</b>

83. **Internally Financed Investment Expenditures.** COFOG-defined expenditures for internally financed investment appears in Table 17 below. According to the chosen calculation method, these expenditures were arrived at by multiplying total internally financed investment

expenditures (CES data) per year by the coefficient of COFOG-defined expenditures to total externally financed expenditures for that same year.

**Table 17: COFOG-defined expenditures for internally financed investments (2004-2012)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>									
Total COFOG-Defined Investment Expenditures	2.2	2.6	1.9	4.9	5.8	5.0	7.0	1.9	11.9	4.8
	<i>% of Total Investments</i>									
% of Internally Financed Investments as a Share of Total Investments	38%	40%	52%	63%	40%	38%	42%	43%	46%	45%

\* This percentage was used to calculate COFOG-defined expenditures for internally financed investments based on total internal investment expenditure data from CES. Using this method, this amount represents the percentage of COFOG-defined expenditures for externally financed investments as a share of total externally financed investment expenditures, for which data were provided by the MoPIC (see [Table 13](#)).

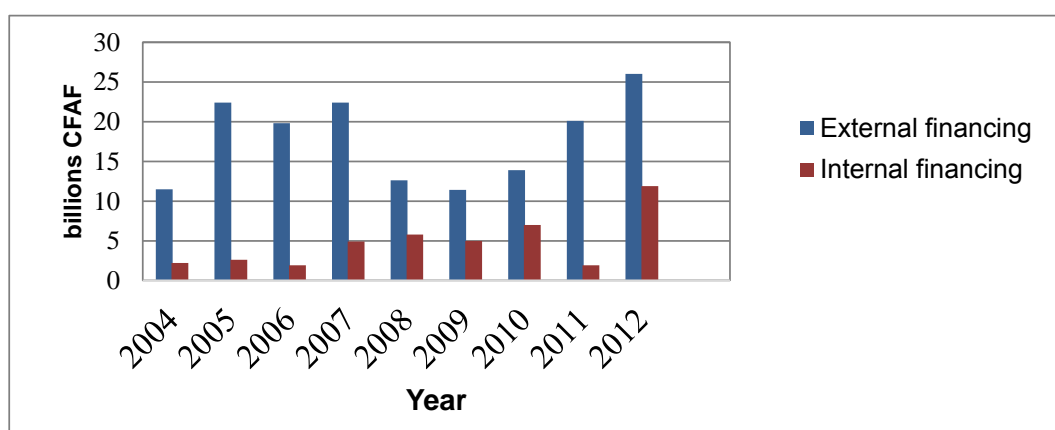
84. Internally financed investment expenditures for the MoAE and MoLH grew consistently over the 2004-2012 period, except in 2011, when the budget contracted sharply. Commitments for 2012 were considerably higher than for previous years. This undoubtedly points to the Chad government's desire to increase the volume of investment in the agricultural sector.

85. **Total Investment Expenditures.** These expenditures appear in [Table 18](#) below, and are broken down by source of financing (external or internal) in [Graph 8](#).

**Table 18: Total COFOG-defined expenditures for internally and externally financed investments (2004-2012)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>									
External Financing	11.5	22.4	19.8	22.4	12.6	11.4	13.9	20.1	26.0	17.8
Internal Financing	2.2	2.6	1.9	4.9	5.8	5.0	7.0	1.9	11.9	4.8
Total MoAE + MoLH Investments	13.7	25.0	21.7	27.3	18.4	16.4	20.9	22.0	37.9	22.6
	<i>% of Internally and Externally Financed Investments as a Share of Total Investments</i>									
% of Internally and Externally Financed Investments as a Share of Total Investments	16%	10%	9%	18%	32%	30%	33%	9%	31%	21%

**Graph 8: Internally and externally financed investments by MoAI and MoLH**



86. Expenditures on capital investments by the two agricultural sector ministries remained stable during most of the 2005- 2011 period but rose dramatically in 2012. Internal financing for these expenditures grew considerably from 2008 onward, accounting for one-third of the total. This reflects the Government's increasing capacity to finance its development thanks to domestic resources generated by petroleum and natural gas revenues. However, it also reflects changing donor attitudes, which believe that national counterparts should pay for a greater portion of investment spending.

#### Comparative Changes in Agricultural Sector Current and Capital Expenditures

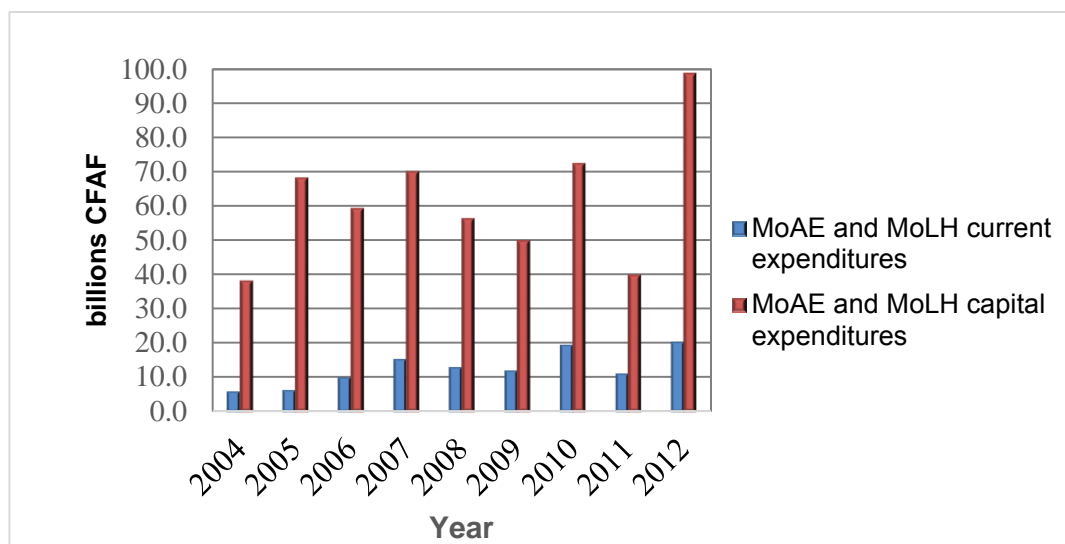
87. Changes in the current and capital expenditures of the MoAE and the MoLH are compared in [Table 19](#) and [Graph 9](#) below.

**Table 19: Comparative changes in current and capital expenditures (MoAE and MoLH) (2004-2012)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	billions CFAF									
MoAE Expenditures										
MoAE Current Expenditures	4.4	5	7.7	11.3	7.4	8.4	15	8.2	15.2	9.2
MoAE Capital Expenditures	35.7	65.2	56.6	62	49.8	43	57.5	29.5	75.9	52.8
Total MoAE Expenditures	40.1	70.2	64.3	73.3	57.1	51.4	72.5	37.7	91.2	62
MoLH Expenditures										
MoLH Current Expenditures	1.5	1.3	2.2	3.8	5.4	3.4	4.1	2.8	4.7	3.2
MoLH Capital Expenditures	2.6	3	2.8	8	6.6	7	14.9	10.5	22.7	8.7
Total MoLH Expenditures	4	4.3	5	11.8	12	10.4	19	13.4	27.4	11.9
MoAE and MoLH Combined Expenditures										
MoAE and MoLH Combined Current Expenditures	5.9	6.3	9.9	15.1	12.8	11.8	19.1	11	19.9	12.4
MoAE and MoLH Combined Capital Expenditures	38.3	68.2	59.4	70	56.4	50	72.4	40	98.6	61.5
Total MoAE and MoLH Expenditures	44.2	74.5	69.3	85.1	69.2	61.8	91.5	51	118.5	73.9

88. Graph 9 shows that for the period under review, capital expenditures grew at the same rate as current expenditures. However, given the correlation between these two types of expenditures, this could not make up for insufficient funding for current expenditures over the period in review. This persistent shortage of funds for current expenses should be corrected.

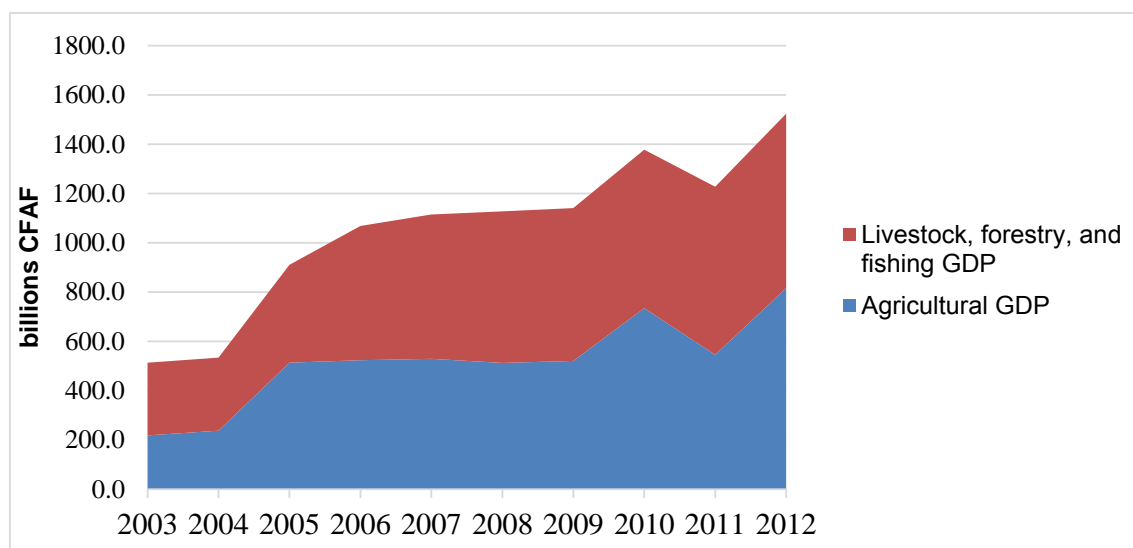
**Graph 9: Comparative changes in current and capital expenditures (MoAE and MoLH) (2003-2012)**



#### 4.3 Functional Composition of Agricultural Sector Miries

89. *Changes in Agricultural and Livestock GDP.* Graph 10 show the changes in agricultural and livestock GDP for the 2003-2012 period. Combined agricultural and livestock GDP grew by an average of 14.7% annually. The percentage of combined agricultural and livestock GDP as a share of overall GDP at current prices was 26.5% on average for the 2003-2012 period, with 12.9% attributable to agriculture and 13.6% attributable to livestock (see Table 20).

**Graph 10: Agricultural and livestock GDP (2003-2012, current prices)**



**Table 20: Changes in agricultural and livestock GDP (2004-2014)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>										
Agricultural GDP	218.3	237.3	513.4	523.4	529.0	512.4	520.5	734.6	545.5	815.9	515.0
Livestock GDP	295.0	296.6	397.3	544.9	585.8	615.1	620.3	643.3	681.9	708.1	538.8
<b>Overall GDP at Current Prices</b>	<b>1,378.6</b>	<b>1,435.9</b>	<b>3,505.9</b>	<b>3,880.9</b>	<b>4,140.2</b>	<b>4,635.7</b>	<b>4,369.4</b>	<b>5,284.5</b>	<b>5,736.1</b>	<b>6,445.9</b>	<b>4,081.3</b>
	<i>%</i>										
Agriculture	15.8%	16.5%	14.6%	13.5%	12.8%	11.1%	11.9%	13.9%	9.5%	12.7%	13.2%
Livestock	21.4%	20.7%	11.3%	14.0%	14.1%	13.3%	14.2%	12.2%	11.9%	11.0%	14.4%

90. *Comparison of COFOG-Defined and Total Expenditures by the Agricultural Sector with Agricultural GDP and Livestock GDP.* The 21% increase in expenditures by the agricultural sector ministries was greater than the 14.7% increase in agricultural GDP, which demonstrates the notable effort by the Chad government to address the sector's needs. Nevertheless, [Table 21](#) shows that budgeted allocations favored agriculture over livestock, with agriculture garnering 4.5% of total expenditures while contributing 12.9% to combined agricultural and livestock GDP, whereas livestock received only 1.3% of total expenditures but contributed 13.6% to combined agricultural and livestock GDP. This unjustified bias should be corrected.

**Table 21: Comparison of changes in agricultural sector expenditures with agricultural and livestock GDP**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
<b>MoAE (Agriculture)</b>										
% (COFOG-Defined MoAE Expenditures/Total budget)	3.72%	7.03%	6.73%	6.67%	2.69%	2.29%	3.36%	2.88%	4.80%	<b>4.5%</b>
% (Total MoAE Expenditures/Total budget)	9.2%	15.7%	10.6%	10.0%	6.5%	5.4%	5.5%	5.8%	6.2%	<b>8.3%</b>
% (Agricultural GDP/Overall GDP)	16.5%	14.6%	13.5%	12.8%	11.1%	11.9%	13.9%	9.5%	12.7%	<b>12.9%</b>
<b>MoLH (Livestock)</b>										
% (COFOG-defined MoLH Expenditures/Total budget)	0.46%	0.86%	1.35%	2.17%	1.90%	1.18%	1.08%	1.43%	1.51%	<b>1.3%</b>
% (Total MoLH Expenditures/Total budget)	0.9%	1.0%	0.8%	1.6%	1.4%	1.1%	1.4%	2.1%	1.9%	<b>1.3%</b>
% (Livestock GDP/Overall GDP)	20.7%	11.3%	14.0%	14.1%	13.3%	14.2%	12.2%	11.9%	11.0%	<b>13.6%</b>

## CHAPTER 5. EFFICIENCY OF THE BUDGET PROCESS

91. This chapter provides an overview of the budget cycle as it applies in Chad for expenditures on agriculture, rural development, and food security. It identifies problems and bottlenecks and makes recommendations for each stage of this cycle.

### 5.1 Introduction

92. ***Weak budget estimation and implementation capacity.*** The average implementation rate of the national budget for the agricultural sector ministries in the period 2004-2012 was slightly higher than 80%. Although the situation appears to have improved recently, this low implementation rate indicates managerial weaknesses in these ministries. Moreover, there have been constant modifications to the Initial Budget Law year after year. On average, the Supplementary Budget Law contains much lower amounts than the Initial Budget Law. The difference in these amounts between the Initial and the Supplementary Budget Laws indicates in particular an inability in the Ministry of Finance and Budget (MoF) to accurately estimate revenues and to allocate expenditures in strict accordance with sector priorities. This also underscores weaknesses in drawing up macroeconomic projections and forecasts at the Ministry of Planning and International Cooperation (MoPIC), resulting in unrealistic or unreliable revenue forecasts, and to an allocation of sectoral budget appropriations that is inconsistent with real priorities.
93. ***Causes and problems.*** The implementation of public expenditures by the agricultural sector ministries is affected by three major problems: (i) cumbersome procurement procedures; despite the large number of improvements that have resulted from the Action Plan for the Modernization of Public Finances (PAMFIP), current procurement procedures are lengthy (4 to 6 months at least) and inefficient; (ii) breakdowns in communication between donors and project managers, and in some cases, the cumbersome procedures of donors themselves; and (iii) problems in mobilizing government backing for projects due to various difficulties such as lower prices for hydrocarbons in international markets and the resulting fall in government funding (e.g., in 2011).
94. These bottlenecks reflect the entire process of preparation, implementation, and monitoring of budget expenditures by the agricultural sector ministries. This process should be reexamined as the efficiency of public expenditures relies heavily on adequate preparation and implementation of the budget. Inadequate budget preparation impedes the selection of projects with the greatest impact and prevents efficient outreach to the beneficiary populations or areas targeted.
95. ***Budget authorities.*** Officially, budget preparation primarily falls under the responsibility of the ministry in charge of finances, currently the Ministry of Finance and Budget (MoF). The duties of the MoF include: (i) defining the overall economic scenario together with the MoPIC; (ii) elaborating budget preparation procedures; (iii) receiving and analyzing requests from the spending ministries; (iv) drawing up tradeoffs; (v) and drafting the budget documents to be submitted to the National Assembly along with the Budget Law (presentation notes, reports on the economic and financial situation, technical annexes, etc.). The Prime Minister also participates in the budget process, having authority over: (i) approving the macroeconomic scenario prepared by the MoF; (ii) endorsing the sectoral allocation of budgets; and (iii) arbitrating disagreements the MoF was unable to resolve. The MoPIC is responsible for programming public capital expenditures from external funds, while the Directorate General of External Resources and Programming (DGREP) carries out this task at the technical level.

## 5.2 Macroeconomic Forecasts

96. **Participants.** The task of drawing up the macroeconomic scenario is shared between the MoF and the MoPIC. The latest law concerning the general structure of government and the remits of its components (Decree 720 of July 13, 2009) bestows this role on the MoPIC. In reality, it is the Directorate of Research and Forecasts (DEP) in the Directorate General of the Budget (DGB) that draws up the macroeconomic scenario on which revenue forecasts and annual expenditure projections are based. MoPIC's International Cooperation Directorate, the National Poverty Monitoring Department (*Observatoire National de la Pauvreté*), and the National Institute for Statistics and Demographic Research (INSEED)<sup>19</sup> also contribute to this task.
97. **Calendar.** Preparatory work for the scenario begins in May-June of Year  $n-1$  in order to be available for the launch of the budget preparation process in Year  $n$ . However, delays in making data available during the elaboration of the National Development Plan (NDP, currently 2013-2016) obstruct preparation of the scenario. If data are available and recent, the team in charge of the scenario may have as clear an insight as possible into the trends in the economic cycle and a well-founded, analysis-based understanding of the real barriers to development and of problems that could arise. Before August 1, the Government submits the medium-term scenario documents described above to the National Assembly, accompanied by a report on the macroeconomic situation and another on budget implementation for the current fiscal year. The National Assembly uses these documents to inform a budget policy debate in a public session but without a vote.
98. **Scenario elaboration process.** Each year, on the basis of realistic economic assumptions, the Government drafts a medium-term budget scenario detailing the evolution over a minimum period of three years of: (i) total general government revenues and expenditures, including contributions by international donors; and (ii) corresponding general government borrowing requirement or capacity, funding components, and the overall level of general government debt. The macroeconomic scenario is elaborated using a macroeconomic forecasting model known as the Integrated Economic Management System for Chad (SIGNET). The scenario is revised in March, September, and at the end of December of Year  $n-1$ . In most cases, the scenario is approved by IMF missions. Based on the medium-term budget framework and within the limits it sets, the Government draws up a Medium-Term Expenditure Framework (MTEF), which breaks down the major categories of public expenditures by type and role or by ministry and program over a minimum period of three years. These medium-term scenario documents are made public. A comprehensive multi-year MTEF was adopted in 2003 and more recently in 2013 as part of the process of devising the NDP.
99. The tasks of setting budget ceilings and reporting them are primarily the responsibility of the DGB, which is in charge of budget preparation and drafts guidelines for the sector ministries. Under MoF guidelines, the spending ministries are responsible for formulating and determining the cost of sectoral programs and for preparing ministerial budgets. Finally, both the MoF and the sector ministries are responsible for negotiations and tradeoffs.
100. **Sector action plans.** Sector action plans are elaborated for the priority sectors, in particular the agricultural development, rural, and food security sectors (covering agriculture, livestock breeding, environment, and hydraulics), based on the medium-term expenditure estimates. Although it is stipulated that the annual budget laws are to be consistent with the

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<sup>19</sup> Regrettably, national accounts have not been drawn up or updated by INSEED for several years.

first year of the medium-term scenario documents finalized following the budget policy debate, the MTEFs do not take account of all the needs of these sectors, in particular due to budget constraints.

101. ***Weaknesses in the elaboration of the macroeconomic scenario.*** The assumptions concerning the macroeconomic scenario are not subject to external approval. Coordination between the NDP, the MTEF, program budgets, and the annual budget is insufficient for several reasons: (i) sectoral budget allocations do not always reflect the priorities of the NDP; (ii) the high number of sector priorities complicates budget allocation; and (iii) delays in the implementation of the budget calendar are not conducive to dialogue with MoF services or the involvement of the sector ministries in determining their needs, despite the fact that the planning departments in the sector ministries have been strengthened by the setting up of Directorates of Research and Forecasts (DEP).

### 5.3 Budget Preparation

102. ***Participants.*** As with those of other sectors, the elaboration of the budgets of the rural sector ministries follows a long process consisting of numerous stages and involving numerous participants from the State and the National Assembly. Although responsibility for preparing the general national budget lies with the MoF (DGB), budget elaboration is also a participatory process that brings together a number of participants: the MoPIC, the Oil Ministry, INSEED, and the sector ministries and their decentralized services. Each participant takes part in specific stages of the process.
103. ***Stages of budget preparation.*** Budget preparation consists of the following stages: (i) *Budget summits*: these are mainly dedicated to expenditures from internal funds; externally funded investment programs are presented by the sector ministries and debated and approved by the Budget Commission in accordance with budget constraints; needs in terms of administrative equipment and buildings are also presented and debated; (ii) *Budget Law*: the draft budget law includes resources from external funds; the Computerized Expenditure System (CES) covers capital expenditures from internal and external funds; however, implementation of the budget from external funds is often adjusted to conform with donor procedures (outside of the CES); and (iii) *Budget Review Law*: the administrative account is put together by pooling the information taken from the CES and implementation data from the investment program provided by the MoPIC. The management account is put together by the Paymaster General (TPG), who assumes responsibility for the resources it manages (internal resources).

### 5.4 Selection and Elaboration of Investment Programs and Projects

104. ***Participants.*** The task of screening and elaborating investment projects and programs in the agricultural sector falls under the authority of the technical sector ministries. Several entities are involved in the process of preparation, evaluation, selection, implementation, and monitoring of investment projects: (i) the DGB's Programming and Evaluation Directorate; (ii) the MoPIC's General Directorate for External Resources and Programming (DGREP); (iii) the MoPIC's Directorate for Public Investments and Project and Program Monitoring; and (iv) the sector ministries' Directorates of Research and Programming (DEP). Since 2001, the budgeting of capital expenditures has been included in the budget preparation process. This includes expenditures from internal resources as well as expenditures from external funds along with their national counterparts. Investment budget estimates do not reflect total costs (for the whole project and recurrent project costs), only those of the fiscal year in question.



105. ***The Three-Year Public Investment Program (PTIP)***. The PTIP comes under the responsibility of the Directorate General for External Resources and Programming (MoPCI), which is in charge of programming and managing external resources. Investment programs from national resources are drawn up by the DGB's Directorate for Programming and Evaluation. However, there is no formal framework for the project cycle.
106. The process of drafting the PTIP and the management review for Year  $n$  consists of several stages. The objective is to establish an estimate of the overall allocation of external resources in Year  $n+1$ . The regular process is as follows: (i) background information is obtained; and (ii) estimates of project disbursements are provided by the sector ministries to the MoPIC and the MoF. At the start of each year (January-February), a general inquiry is launched, involving agents of the MoPIC's Directorate General for External Resources and the MoF's Directorate General of the Budget in order to: (i) update the existing external funding database; (ii) formulate a collection sheet for financial and physical data; and (iii) carry out an inquiry with the MoF in order to collect information on the annual budgeting of counterpart funds, projects funded from own resources included in the budget law, and disbursements by project and by ministry. Budgets for capital expenditures are set by taking account of: (i) amounts allocated to the continuation of ongoing investment projects; (ii) counterparts of projects funded by donors; and (iii) new projects planned by the ministries within the limits set by the overall budget.
107. ***Weaknesses in the process***. The steps described above aim to ensure that the spending ministries record appropriations from previous commitments (contracts signed or being implemented). However, it leaves little scope for ministries to record new capital expenditures. In addition, the programming of public capital expenditures and their inclusion in the PTIP should adhere to specific screening rules covering feasibility studies, including assessments of projects' economic viability, their impact on fiscal resources or debt servicing (where required), and the existence (or absence) of a funding source for the project. The framework for programming capital expenditures does not provide for the rigorous monitoring of progress in project implementation, in particular for contracts that have already been signed or are ongoing. Moreover, the dichotomy created by the responsibility of the MoPIC to elaborate the PTIP and that of the MoF to prepare the standardized national budget means that there are two national budget appropriation authorizing authorities in Chad. This leads to difficulties in raising, budgeting, monitoring, and evaluating public capital expenditures. In addition, we note: (i) the large number of Government participants involved in raising external resources, including the MoEPIC, the MoF, the technical ministries, the fund management units, and the Ministry of Foreign Affairs (MoFA) in agreements designed to select headquarters or set up certain bilateral agencies; and (ii) deficiencies in the information and communications system.

## **5.5 Recommendations for Improving the Budget Process**

108. The following organizational and methodological problems should also be taken into account:
- The PTIP calendar is out of step with that of the Budget Law;
  - Donor budget cycles often differ to that of the Government;
  - The slow pace of project aid disbursement is an impediment to meeting the Government's development targets;
  - The Government's contributions to donor-funded projects are poorly covered by budget allocations following the budget summit debates;

- Recurrent investment costs (maintenance, staff expenditures, operational expenditures) are insufficiently accounted for;
  - There are insufficient resources for the external monitoring of projects and programs at the sector level;
  - The Directorates of Research and Programming are weakly involved in the monitoring and evaluation of projects and programs; and
  - There exists no national procurement procedures manual.
109. One solution would be to improve the preparation of the sector ministries' budgets by elaborating more realistic MTEFs justified by investment projects and programs with proven economic, financial, and technical feasibility. This would require: (i) setting up a single framework for programming public capital expenditures and their management, programming only those projects for which funding has been secured, and establishing a national inventory of projects; (ii) centralizing information pertaining to external funds and including it in budget implementation progress reports by developing the necessary accounting methods in order to provide the National Assembly with a current implementation report for the overall national budget.

## 5.6 Budget Implementation

110. ***The budget calendar.*** The fiscal year runs from January 1 to December 31, and budget implementation begins after the budget law has been approved, by December 31 of that year at the latest. Once the Initial Budget Law (LFI) has been promulgated, approved appropriations are made available to the sector ministries by MoF decree. Liaising with the sector ministries, the MoF is responsible for implementing the budget law and achieving the budget balances defined. It has the power to regulate the budget, which enables it to calibrate the pace at which appropriations are disbursed according to the financial situation of the Government's accounts. If the situation or the outlook for the accounts requires it, it may during the fiscal year: (i) temporarily suspend the use of some appropriations by a decree issued to the financial controller, a copy of which is sent to the authorizing authority; and (ii) cancel some appropriations by decree, a copy of which is sent immediately to the National Assembly.
111. National budget commitments for a given fiscal year are made by November 30 at the latest. Payment orders for a fiscal year are made by December 31 of that year. A complementary period lasts until January 31 of the following year and is mainly reserved for accounting operations. The definitive closing date of the Government's accounts is set for the end of February of the following year. No commitment is made before this period as the ministries wait, without being compelled to do so by law, for written notification of their budget by the MoF before commencing implementation of their expenditures.
112. ***Difficulties.*** In all, three months are needed for any new expenditure item to be initiated. It follows that contracts for the year are signed three to four and sometimes six months into the fiscal year. These various delays combine to reduce the actual time available for operations to run their normal course. In addition to this difficulty in budget implementation, there is: (i) a lack of supervision and compliance with the regulations in force;<sup>20</sup> (ii) the Government's financial constraints, which lead to frequent budget

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<sup>20</sup> Although it was recently reformed, the public procurement system is an obstacle to adequate national budget implementation as: (i) waiting times are too long; (ii) internal control procedures of the procurement circuit are not standardized; and (iii) participants are generally insufficiently trained.

adjustments and reductions; and (iii) poor oversight of public procurement procedures. While some of these factors can be traced to the technical ministries, others are attributable to the MoF or to higher political authority.

113. In effect, the lack of supervision and compliance with public procurement regulations prolong public procurement processes and give rise to much discussion between the administrations, the projects, and the Directorate General of the Public Procurement Office (PPO). The Government's financial constraints lead to frequent bottlenecks in commitment proposals. These result from pressures on funds, the persistence of which since 2007 and 2008 following the rebel attacks on the capital, N'Djamena, obstructs the activities of the administrative services and development projects. The large number of budget adjustments is destabilizing for the activities of the sector's ministries, and allocations in the Initial Budget Law (LFI) are systematically amended.
114. To meet expenditure needs that have not been planned and therefore have not been written into the Initial Budget Law (LFI), appropriations are transferred by deducting resources from certain budget lines, which are then reallocated to other expenditure lines or other projects not yet included in the investment budget. These modifications can be requested by the ministries themselves or made by the MoF without notice, which leads to further destabilization since the ministries realize that their appropriations have been reduced only when they submit their expenditure proposals. Improved budget discipline that would adhere more closely to the budget estimates approved by the National Assembly would help reduce the considerable uncertainty surrounding budget implementation.

## 5.7 Budget Monitoring

115. **Overview.** Budget monitoring plays an important role in the budget cycle. It provides information on the level of expenditures implemented in the current year and gives an indication of the capacity of the different services, projects, and programs to absorb the resources allocated to them. Thus, it makes it possible to adjust upward or downward depending on actual performance of the estimates for the first year of the following three-year MTEF and to draw up the draft budget for the coming year. For externally funded projects and programs, the monitoring of technical and financial implementation is undertaken jointly by the donors and the Government, the latter often contributing only a small share of the funding (tax exemptions, national experts' fees, etc.). Each rural sector ministry contains a Directorate of Research and Programming (DEP) responsible for monitoring the technical and financial implementation of various departments' operational expenditures and of capital expenditures.
116. **Weaknesses.** At present, budget monitoring and evaluation (M&E) suffers from several weaknesses at both the central (DEP) and the service and project levels. Performance reports, a tool in budget monitoring, are not always produced systematically, and when they are, they contain very little information on the cost, incidence, and impact of interventions and in general are not accompanied by a baseline situation, which leads to very little capitalization on positive experiences with a view to replicating them.
117. Ex-post evaluation of development projects and programs is not highly systematized. While ongoing projects are monitored fairly regularly, evaluation (especially that of impacts) is seldom performed, and results are seldom shared with the beneficiaries or published. In the few cases of ex-post evaluation, results are seldom taken into account when the time comes to elaborate new projects or programs, nor do they give rise to capacity building within the ministries. The monitoring of operational expenditures is mixed in terms of quality, depth, and objectivity, and is difficult to make comparisons

across projects.

118. Donors' supervision missions and mid-project and program reviews as well as annual reviews of Chad's Poverty Reduction Strategy (PRS) are rare opportunities to exchange ideas with the other sectors and to present progress achieved in the implementation of the policies in sub-sector project or strategy documents. These processes are not conducted according to a defined methodology and do not give rise to any sanctions. Rather, information is simply provided on recent progress and on the constraints facing the sub-sector.
119. **Recommendations.** The ongoing reforms outlined below would help overcome these shortcomings. They include:
  - Prime Ministerial order No. 4331/PR/PM/2012 of September 5, 2012, which lays down the guidelines for managing development projects and programs in Chad. Each minister is required to personally ensure that the targets set in funding accords and agreements are achieved, implement any new project within the structure of the ministry responsible for planning and implementing programs and projects, and draft a half-year progress report for the projects and programs in his or her department;
  - Study concerning the introduction of a public capital expenditures management system designed to improve the standardization and elaboration of the budget;
  - Application of program-based budgeting under the new organic law on budget laws, as per CEMAC directives;
  - Strengthening of the link between operational budget and investment budget;
  - Improvement in transparency and performance in public procurement by starting up the Integrated Public Procurement Management System (SIGMP);
  - Revisions to the Public Procurement Code to align it with international standards; and
  - Setting up of an earmarked account system as per the CEMAC directive, with support from DPs, which could be a compromise solution pending the complete overhaul in favor of budget support in accordance with the Paris Declaration.
120. It is imperative that all these ongoing reforms be accompanied by considerable strategic thinking in terms of implementing the CEMAC directives and by significant M&E capacity building at all levels, in terms of personnel, training, and operational resources. This reflection should include the issue of archiving and disseminating information, for which no systematic mechanism is in place at present.

## CHAPTER 6. CONCLUSIONS AND RECOMMENDATIONS

121. The conclusions and recommendations presented in this chapter summarize the detailed conclusions and recommendations found in the other chapters of this report. They were endorsed during a workshop held in N'Djamena on September 10-11, 2014.

122. They can be summarized as follows:

- a. *The overall amount of agricultural expenditures should be increased.* Agricultural expenditures (following the COFOG methodology) relating to crop and livestock production activities should have more than doubled over the 2003-2012 review period if they were to meet the Maputo target of 10% of the national budget allocated to the agricultural sector. This would have amounted to approximately CFAF 190 billion in 2012 (compared with expenditures of CFAF 93.3 billion in 2012). Two priority areas where public funds clearly remain insufficient are irrigation systems and pastoral hydraulics, given the needs and the potential in these two areas. Farming and livestock services are another area that needs strengthening. The combined effect of these budgetary measures would pave the way for an increase in agricultural output, in particular with regard to crop production;
- b. *The budget allocated to livestock activities should be increased.* Efforts to increase the agricultural budget in particular (to at least double it; see above) should be deployed, with particular emphasis on supporting livestock activities. In relation to total national expenditures, the share of expenditures on livestock activities (1.3% corresponding to MoLH expenditures) as opposed to that on agricultural activities (4.5% for the MoAE) is insufficient in light of their respective contributions to national GDP (13.6% and 12.9%, respectively). On this point, it would be advisable to substantially increase the MoLH budget, in particular the budgets of the technical directorates under the former Ministry of Pastoral Development and Animal Production (MoPRAP). Pastoral hydraulics will also require particular attention;
- c. *Budget allocations granted to the regions should be increased.* Chad is a large country with a diverse resource base. The government should establish efficient decentralized services with the means to meet the needs of local populations. The current 4% allocation of budget resources to the decentralized units of the sector ministries is manifestly insufficient. First, the resources allocated to these units should be increased markedly. Next, the objective should be to undertake institutional reforms with a view to giving more power and responsibility to the decentralized units and allocate them the corresponding additional resources;
- d. *Appropriations for operational expenditures should be increased.* The accounting breakdown of MoAE and MoLH expenditures revealed that only 4% of total expenditures is allocated to the operational costs (including equipment maintenance) of these two ministries. Experience shows that this level of allocation is highly insufficient to adequately cover their operations. This level should be adjusted to at least the level of the overall civil service, i.e. approximately 9%;
- e. *The technical directorates should implement expenditures directly.* This concerns in particular the NFSP, which represents over 15% of the total MoAE budget. This budget

covers expenditures (e.g. irrigation systems, pastoral and village hydraulics, and intensification of crop, livestock, and fishery production) that ought to be implemented by the technical directorates (or specialized affiliated agencies). The NFSP budget should therefore be adjusted downward so that it contains only expenditures strictly related to food security and the remaining budget transferred to the directorates and other technical entities;

- f. *National funds should play a greater role in capital expenditures.* National funding of capital expenditures amounted to only one-quarter of capital expenditures from external financing on average during the review period. This share should be raised. Donors have sought such an increase, arguing that given its oil resources, Chad should be able to contribute more of its own funds to capital expenditures. Likewise, the Chad government could also contribute to the necessary increase in the MoAE and MoLH budgets (see above).

*The implementation of the above recommendations will require a strengthening of planning and programming, management, and monitoring and evaluation systems in both the central ministries (MoF and MoPIC) and the two sector ministries (MoAE and MoLH), as described below:*

- g. *Planning and programming should be strengthened.* Budget planning and programming remains an extremely weak link in the budget process in Chad in the two economic ministries (MoPIC and MoF) and in the technical ministries (MoAE and MoLH in the case of the agricultural sector). The fact that the Supplementary Budget Law (LFR) is often out of step with the Initial Budget Law (LFI) is a clear illustration of this shortcoming.

The agricultural sector strategy documents that do contain quantitative data, such as the Agricultural Master Plan (AMP, 2006-2015) and the Five-Year Agricultural Plan (2013-2018) and do not include sufficiently complete databases to draw up accurate budget expenditure estimates relative to the objectives set in general policy documents. This drawback undermines the foundations of the budget cycle. In fact, the documents cited above have become obsolete because they have been included in the National Rural Sector Investment Program (PNISR 2014-2020) under the aegis of the CAADP with assistance from the FAO. In this respect, the current support from the FAO in defining the terms of the PNISR is welcome as it will give a much-needed sense of direction to the planning and programming of capital expenditures in the agricultural sector. It should be noted that this drive is taking place with the participation of all stakeholders. The MoAE's and MoLH's Directorates of Economic Planning and Programming (DEPP) in particular are closely involved, as is the MoAE's Permanent Unit for Agricultural Programming and Monitoring.

The collection and compilation of budget data is another shortcoming that needs to be remedied. In particular, this concerns: (i) projected external funding of development projects not yet systematically accounted for in budget allocations, and (ii) disbursements of external funding that do not appear in the Computerized Expenditure System (CES) managed by the MoF.

This Review makes the following recommendations for remedying the shortcomings in budget planning and programming: (i) prepare valid strategy documents that can be used as a framework for programming and planning activities and can be quickly be put into operation; (ii) systematically insert external funds in the budget database both for

projected appropriations (Initial and Supplementary Budget Laws) and commitments (CES); on this point, data concerning projected financing and disbursements for development projects from donors to the MoPIC should be systematically and promptly passed on to the MoF to be included in the Initial and Supplementary Budget Laws and in the CES, respectively; (iii) increase coordination between participants; coordination between the MoF and the MoPIC needs to be enhanced, especially given that it is the MoPIC that communicates with the DPs; collaboration with the group of DPs also needs to be improved to ensure that donors systematically and accurately pass on all of the data concerning their funding; and (iv) strengthen the capacity of the MoAE and MoLH Directorates of Economic Planning and Programming (DEPP).

- h. *The Management Information System (MIS) should be strengthened.* The MIS of both sector ministries is extremely weak. It does not enable the close monitoring of the ministries' day-to-day recurrent expenditures (personnel, operational costs, other recurrent costs) or the periodic evaluation of these costs. This shortcoming could be remedied by strengthening the DAF of each of these ministries and ensuring that a desirable level of collaboration is established with the corresponding services in the MoF;
- i. *Monitoring and evaluation should be strengthened.* The monitoring and evaluation of investment projects is deficient. Monitoring should be carried out regularly, in particular during the various stages of the donor project supervision cycle. Such monitoring would make it possible to stay informed of progress in project implementation and to adjust budget estimates accordingly. Likewise, project evaluation should be prepared systematically by project managers in order to determine the impact of public expenditures, in particular capital expenditures, on the target populations. Currently, this analysis is seldom carried out except on occasion in the context of specific completion reports with the support of DPs. Strengthening monitoring and evaluation is a matter of urgency and will require operational data to be systematically collected and impact studies carried out.

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## Annex 1 – Investment Expenditures by Agricultural Sector Ministries

1. This annex covers *total agricultural investment expenditures* based on MoPIC data for external financing and on CES data for internal financing. Information provided here complements Section 4.3, which covers only expenditures meeting COFOG criteria. Explanations of how COFOG expenditures data was obtained by eliminating non-COFOG expenditures and the calculations used for integrated rural development projects are included.
2. Data on externally financed expenditures are provided by the Directorate for International Cooperation (DIC) of the MoPIC. The data represent projects funded by Chad's Development Partners (DP). These data cover disbursements notified by the DPs to the MoPIC and sent to the MoF. However, these data are not incorporated into the CES. For all intents and purposes, these expenditures should be considered off-budget. Data on internally financed investments come from the CES. These data relate primarily to national counterparts to external funding.

### External Financing

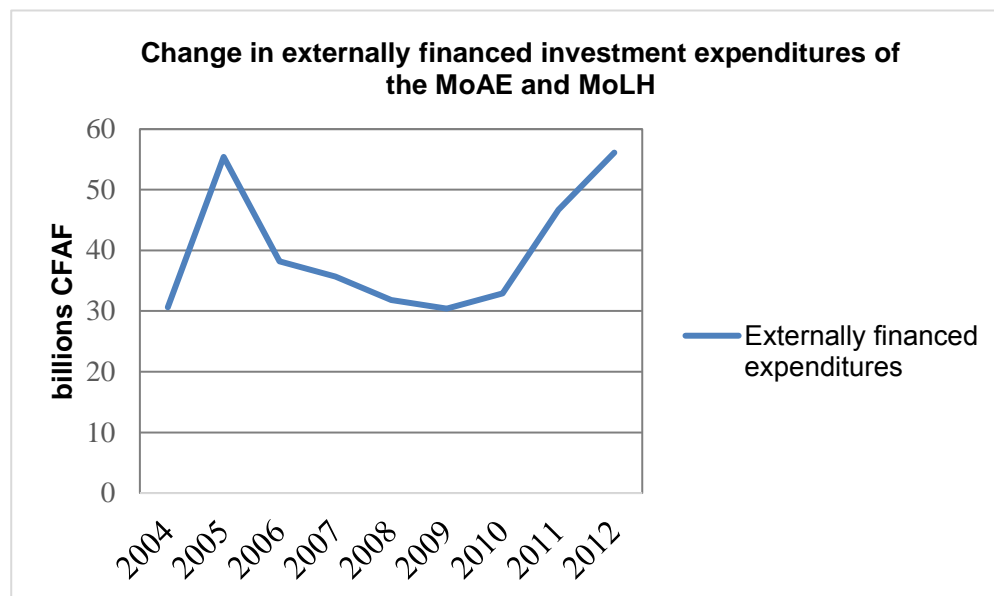
3. ***Changes in externally financed investment expenditures.*** Table 22A and Graph 11A show the changes in externally financed investment expenditures for the MoAE and the MoLH for the 2004-2009 period.

**Table 22A: Changes in agricultural sector expenditures for externally financed investments (disbursements) (2004-2012)**

2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
<i>billions CFAF</i>									
30.6	55.4	38.2	35.7	31.8	30.4	32.9	46.7	56.1	39.7

Source: DIC/MoPIC

**Graph 11A: Changes in agricultural sector expenditures for externally financed investments (disbursements) (2004-2012)**



Source: MoPCI

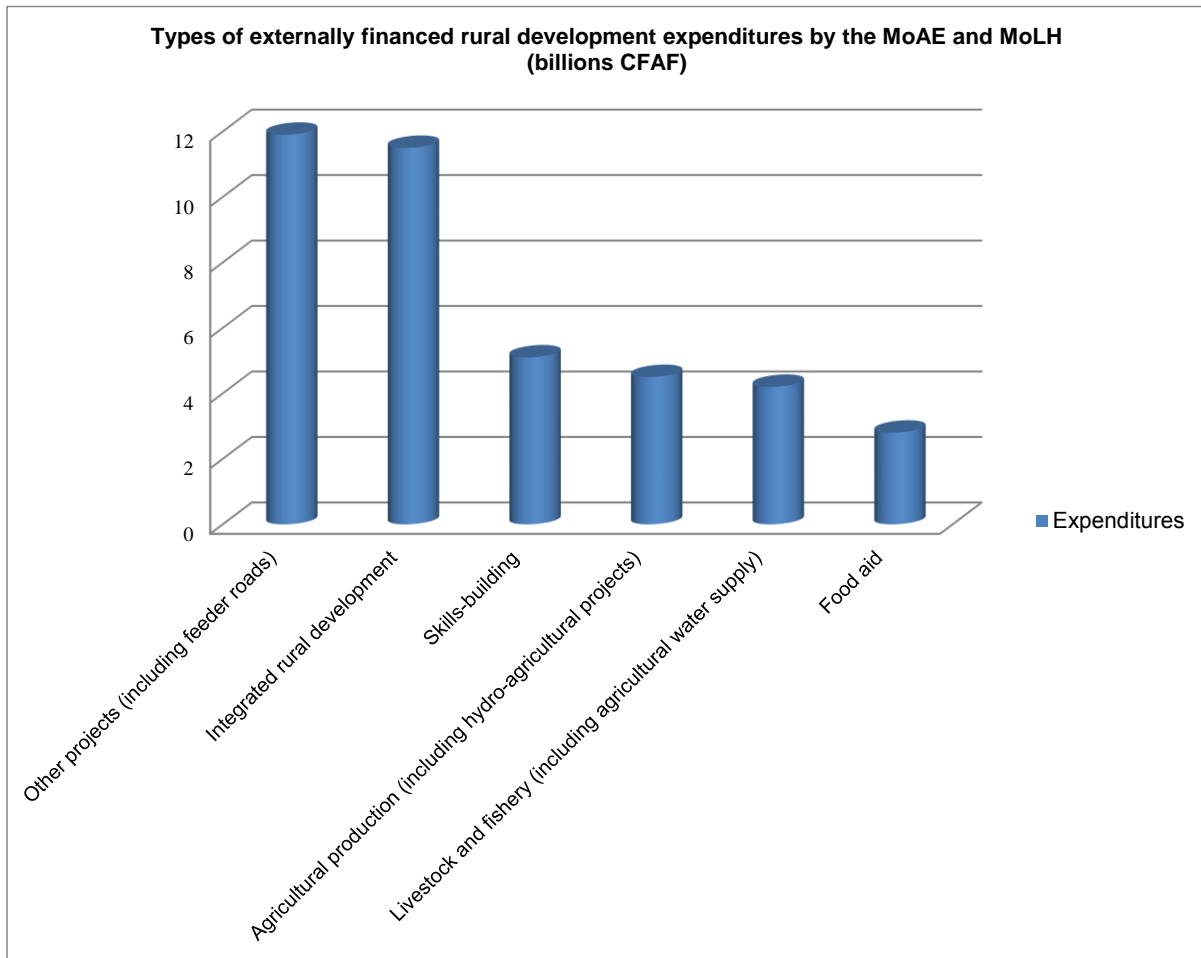
4. Table 22A and Graph 11A show a significant decrease in externally financed expenditures for the 2005-2010 period, falling from CFAF 55.4 billion in 2005 to CFAF 31.8 billion in 2008 and decreasing further to CFAF 30.4 billion in 2009. This steep decline was due to socio-political instability in the country during this period, during which some externally financed projects were put on hold, while other projects came to a standstill as some donors suspended their aid activities. The figures for 2012 show that external financing has recently resumed. These figures exceed those of 2005, with disbursements of CFAF 56.1 billion.
5. ***Types of Investments.*** The MoPIC data on externally financed investments are grouped by project. Projects were reviewed and categorized according to the type of activity being financed. The project types defined by this database are presented in Table 23A below.

**Table 23A: Project types for externally financed rural development expenditures by the agricultural sector ministries**

Project Type	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average	%
	billions CFAF										
Integrated rural development	12.6	17.5	13.5	8.8	7.3	5.7	8.9	12.9	16.7	11.5	29.0%
Agricultural production (including hydro-agricultural projects)	2.4	3.7	5.4	3.8	4.5	4.5	3.7	5.3	6.9	4.5	11.3%
Livestock and fishery (including agricultural water supply)	2.7	5.3	4.8	5.0	2.7	3.1	3.3	4.8	6.2	4.2	10.6%
Skills-building	2.0	7.2	4.8	10.5	2.9	1.8	3.7	5.4	7.0	5.1	12.8%
Food aid	1.4	7.9	2.4	2.3	1.8	0.7	2.0	2.8	3.7	2.8	7.1%
Other projects (including feeder roads)*	9.5	13.4	7.3	5.3	12.1	15	11	15	16	11.9	30.0%
Total	30.6	55.4	38.2	35.7	31.8	30.4	32.9	46.7	56.1	39.7	100.0%

\* The category "Other projects" consists primarily of former Ministry of Environment and former Ministry of Hydraulics projects.

**Graph 12A: Project types for externally financed rural development expenditures by the agricultural sector ministries**



6. Table 23A shows that integrated rural development projects (or regional projects) accounted for the largest share of expenditures, or 29%, far ahead of technical assistance and skills-building projects, or 12.8%. By contrast, agricultural production and livestock and fishery projects accounted for only 11.3% and 10.6%, respectively. Food aid projects constituted a non-negligible share of expenditures, or 7.1%.
7. Integrated rural development projects undoubtedly constitute a special case not only because of the considerable funding they receive but also because they encompass a wide variety of activities. Projects belong to multiple sectors, dealing with activities as varied as crop and livestock production, basic infrastructure (e.g., hydro-agricultural projects, agricultural water supply, and feeder roads), and social infrastructure (e.g., health clinics and schools). These projects were therefore examined in detail with the assistance of DPs in order to determine the share of externally financed activities that meet COFOG criteria. The results of this analysis are presented in Section 4.2 above, which relates to COFOG-defined expenditures.
8. ***Distribution of Externally Financed Investment Expenditures between the MoAE and the MoLH.*** Table 24A shows the distribution of externally financed investment expenditures

between the two sector ministries. This table underlines the predominance of the MoAE in external financing for investment expenditures, absorbing close to 90% of funding compared with a little over 10% for the MoLH. This demonstrates that livestock receives a meager portion of total investment expenditures. This state of affairs should be corrected given the size of the livestock sector's contribution to overall GDP.

**Table 24A: Distribution of externally financed investment expenditures between the MoAE and the MoLH (2004-2012)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average	%
	<i>billions CFAF</i>										
MoAE	29.0	53.7	35.9	33.1	29.1	28.0	27.2	38.6	45.4	35.5	89.4
MoLH	1.6	1.7	2.3	2.6	2.7	2.4	5.7	8.1	10.7	4.2	10.6
<b>Total</b>	<b>30.6</b>	<b>55.4</b>	<b>38.2</b>	<b>35.7</b>	<b>31.8</b>	<b>30.4</b>	<b>32.9</b>	<b>46.7</b>	<b>56.1</b>	<b>39.7</b>	<b>100.0</b>

9. **External sources of funding by donor.** The percentage of funding by each donor as a share of total externally sourced funds is shown in Table 25A and Graph 13A. For the 2004-2012 period, the African Development Bank (AfDB) was the largest donor to Chad's agricultural sector, followed by France, Germany, the European Union (EU), the World Bank, the Arab Bank for Economic Development in Africa (BADEA), Switzerland, and the International Fund for Agricultural Development (IFAD). The percentage of multi-donor projects is sizable, at 10%. Unfortunately, the lack of information on these projects made it impossible to calculate the contribution of each individual donor. The number of projects under the "Other projects" heading should also be noted. These are projects that do not meet COFOG criteria (e.g., projects addressing food security or feeder roads) or projects affiliated with the former Ministries of the Environment or Hydraulics.

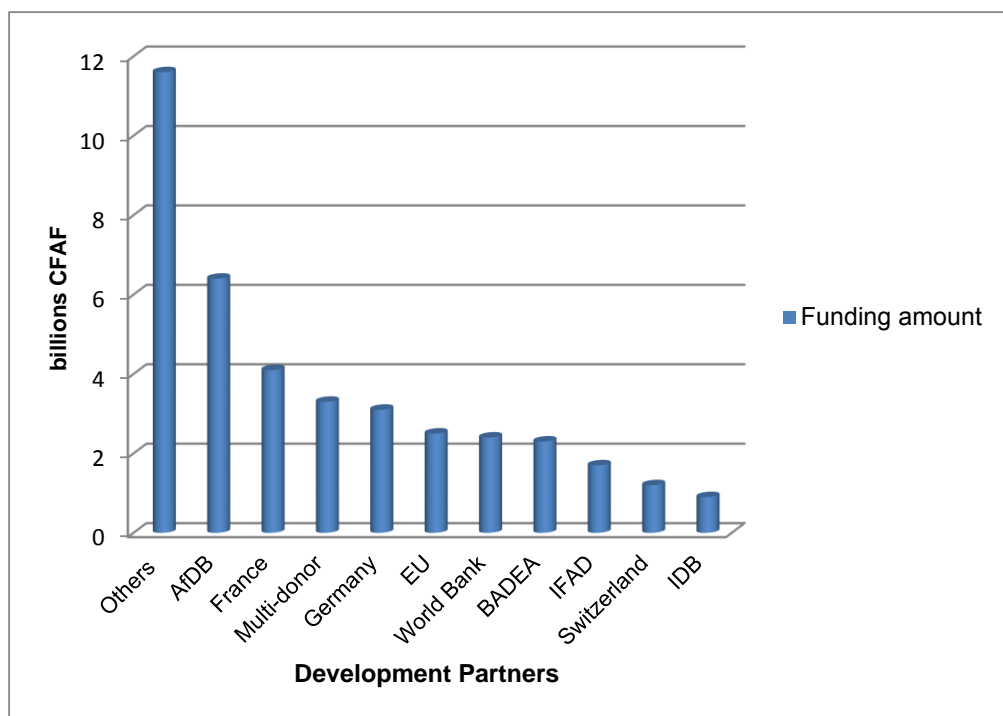
10. The distribution of funds by donors is important not only in determining the size of donors' contributions but also in evaluating the execution of funded projects. In this respect, the different implementation methods of donors should be differentiated. Some projects are carried out by partner organizations (e.g., NGOs, the FAO) or by a non-governmental project management unit. Partner-led projects are often characterized by rapid disbursement. Conversely, some projects implemented directly by the MoAE or the MoLH have experienced major delays and very low rates of disbursement due to complex procedures and communication problems between the Chad Government and donors.

**Table 25A: External sources of funding by donor**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average	%
	<i>billions CFAF</i>										
AfDB	5.2	6.5	6.0	2.7	2.2	4.6	7.0	9.9	13.1	6.4	16%
France	2.5	7.2	5.4	6.5	3.6	1.4	2.5	3.5	4.6	4.1	10%
Multi-donor	5.6	7.9	7.5	4.8	3.8					3.3	8.3%
Germany	4.5	4.0	3.0	3.3	3.2	3.6	1.3	2.5	2.5	3.1	8%
European Union		0.5	0.1	0.1	0.6	1.1	4.7	6.7	8.8	2.5	6.3%
World Bank	1.0	3.4	3.5	8.6	2.3	0.4	0.5	0.7	1.0	2.4	6%
BADEA	1.5	2.5	0.1	0.7	1.2	2.3	2.9	4.1	5.4	2.3	6%

IFAD	0.6	0.3	1.0	2.3	2.2	1.6	1.7	2.4	3.2	1.7	4.3%
Switzerland	0.5	5.1	3.2	1.8	0.0					1.2	3%
IDB	0.0	4.5	0.2	0.1	0.1	0.9	0.5	0.7	0.9	0.9	2.2%
Others	8.1	12.7	8.1	4.9	12.5	14.7	11.7	16.1	16.6	11.6	29.2%
<b>Total</b>	<b>30.6</b>	<b>55.4</b>	<b>38.2</b>	<b>35.7</b>	<b>31.8</b>	<b>30.4</b>	<b>32.9</b>	<b>46.7</b>	<b>56.1</b>	<b>39.7</b>	<b>100%</b>

**Graph 13A: Development partners ranked by funding for agricultural development projects**



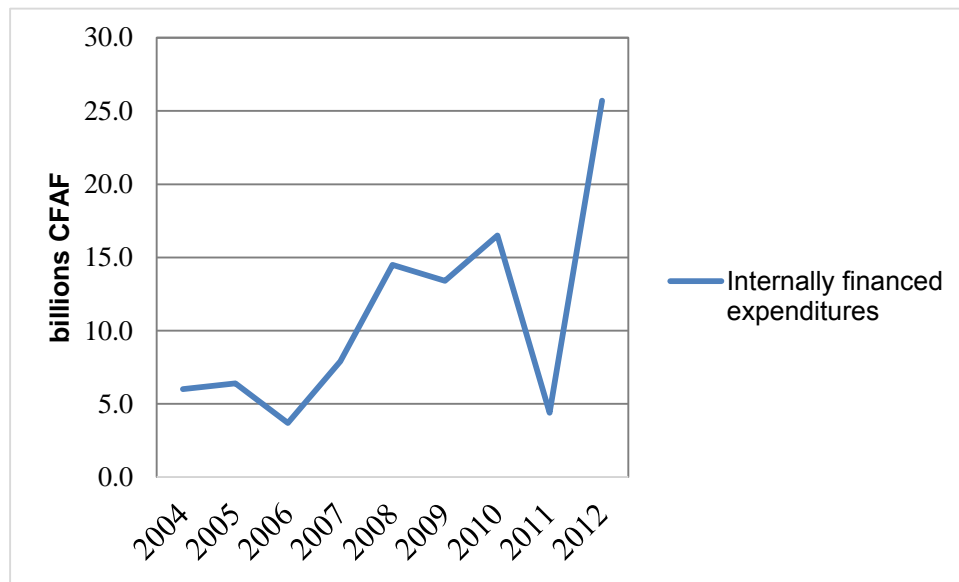
### Internal Funding

11. Table 26A and Graph 14A show the change in internally funded expenditures of the MoAI and the MoPDAP for the 2004-2012 period. Data related to these expenditures were extracted from the Computerized Expenditure System (CES). To a large extent, internal funding corresponds to the national counterpart of external financing for some projects. To a lesser extent, internal funding corresponds to the only funding for other projects.

**Table 26A: Changes in internally financed expenditures by the agricultural sector ministries (2004-2012)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>									
Internal financing	6.0	6.4	3.7	7.9	14.5	13.4	16.5	4.4	25.7	10.9

**Graph 14A: Changes in internally financed expenditures by the agricultural sector ministries (2004-2012)**



Source: CES

12. Internally financed expenditures by the two sector ministries trended upward during the 2004-2012 period, except for 2011, a year that saw an extremely low level of internally financed expenditures (CFAF 4.4 billion), corresponding to an almost 75% decrease compared to the previous year. This is hardly surprising given that budgets were slashed that year as a consequence of short-term issues. However, internally financed expenditures grew sharply the following year, reaching CFAF 25.7 billion, indicating a noticeable upward trend.

### Total Investment Expenditures

13. [Table 27A](#) shows the change in total expenditures by external and internal sources of funding.

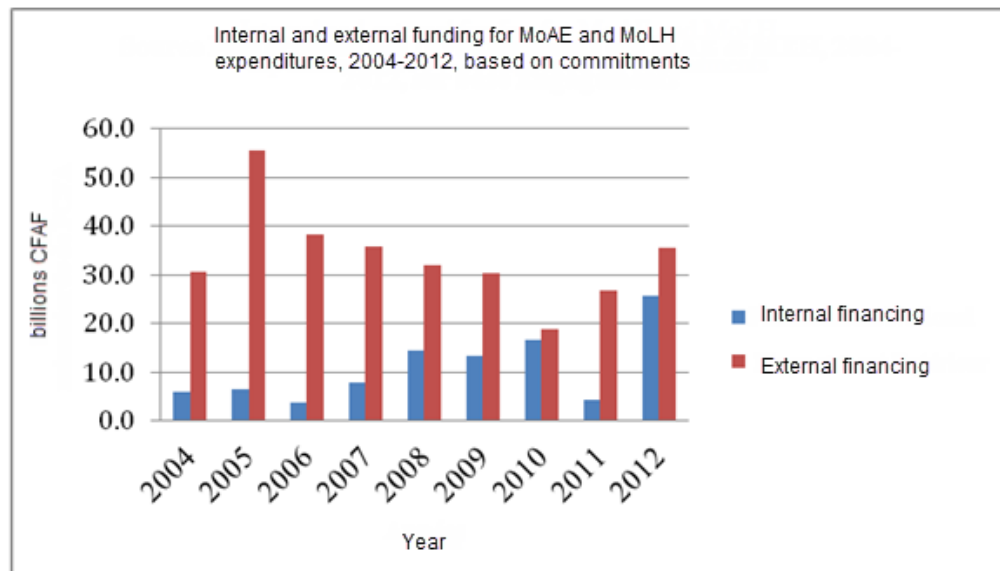
**Table 27A: Changes in total agricultural sector expenditures (2004-2012)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
	<i>billions CFAF</i>									
Externally financed expenditures	30.6	55.4	38.2	35.6	31.8	30.4	32.9	46.7	56.1	39.7
Internally financed expenditures	6.0	6.4	3.7	7.9	14.5	13.4	16.5	4.4	25.7	10.9
<b>Total</b>	<b>36.6</b>	<b>61.8</b>	<b>41.9</b>	<b>43.5</b>	<b>46.3</b>	<b>43.8</b>	<b>49.4</b>	<b>51.1</b>	<b>81.8</b>	<b>50.7</b>
	<i>% of internally financed expenditures as a share of total expenditures for the sector</i>									
% of internally financed expenditures as a share of total expenditures for the sector	16.4	10.4	8.8	18.2	31.3	30.6	33.4	8.6	31.4	21.5

14. [Table 27A](#) shows that total expenditures rose over the period under review. This growth was spurred as much by increases in externally financed expenditures, especially during the last

few years of the period, as by increases in internally financed expenditures, except for 2011, an atypical year of austerity budgeting. A highly interesting aspect is the percentage of internally financed expenditures as a share of total expenditures in the sector (see [Graph 15A](#) below). This share grew consistently over the course of the period, indicating both Chad's growing financing capabilities and the donor community's desire to see Chad participating to a greater extent in the financing of investment in the country.

**Graph 15A: Internal and external funding for MoAI and MoPDAP expenditures (LFR, 2004-2012)**



### Feeder Roads

15. Although expenditures on feeder roads does not meet COFOG criteria, they are very important in reducing the isolation of production areas and improving access to markets for rural populations in a country as large as Chad.
16. [Table 28A](#) below shows the amount of investment devoted to feeder roads during the period under review. Note that the concept of feeder roads in Chad is very broad. That is, what qualifies as a feeder road includes roads that are a few kilometers long to roads that are hundreds of kilometers long, which is especially true in northern Chad. [Table 28A](#) shows that expenditures on feeder roads as defined above represented around 8.8% of total agricultural expenditures (COFOG and non-COFOG). Although this amount may appear sizable, it is insufficient given the level of need.



**Table 28A: Expenditures on feeder roads and percentage of expenditures on feeder roads as a share of agricultural current and capital expenditures (2004-2012)**

<b>billions CFAF/year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Σ (sum)</b>
	<i>billions CFAF</i>									
Expenditures on feeder roads (MoIT)				3.5	6.1	4.7	4	6.3	20.3	44.9
Externally financed expenditures (MoPIC)	1.5	1.4	0.3	0.3	0.1					3.7
<b>Total</b>	<b>1.5</b>	<b>1.4</b>	<b>0.3</b>	<b>3.8</b>	<b>6.2</b>	<b>4.7</b>	<b>4.0</b>	<b>6.3</b>	<b>20.3</b>	<b>48.6</b>
% of expenditures on feeder roads as a share of agricultural current expenditures										7.31%
% of expenditures on feeder roads as a share of agricultural capital expenditures										8.79%

## Annex 2 – Database

**Table 1A: Total state budget, 2003-2012**

Billions of FCFA	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
<b>A. Revised State Budget (<i>Collectif budgétaire</i>)</b>											
Personnel	71.2	80.8	91.3	119.4	153.2	175.3	194.8	212.0	259.9	285.1	<b>164.3</b>
Other operating expenditures	40.5	41.6	48.1	55.4	70.1	92.7	84.9	103.3	120.7	159.0	<b>81.6</b>
Taxes, Subsidies, and Shares	15.5	55.4	53.3	104.1	125.8	203.9	202.6	352.0	376.6	335.3	<b>182.4</b>
RI investments	27.0	70.8	87.6	101.3	141.9	221.7	165.2	348.9	551.8	0.0	<b>171.6</b>
RE investments	165.3	193.0	190.5	156.2	145.6	126.1	69.3	120.2	131.8	0.0	<b>129.8</b>
Total investments	192.3	263.7	278.1	257.5	287.6	347.8	234.5	469.1	683.6	788.3	<b>380.2</b>
Additional budget	22.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Public debt	54.0	42.7	56.6	104.9	70.6	85.5	87.4	67.5	131.7	175.7	<b>87.7</b>
<b>Total Revised State Budget (at current rate)</b>	<b>395.7</b>	<b>484.2</b>	<b>527.3</b>	<b>641.3</b>	<b>707.3</b>	<b>905.3</b>	<b>804.2</b>	<b>1203.9</b>	<b>1572.5</b>	<b>1743.5</b>	<b>898.5</b>
<b>B. State Budget Execution (Commitment base-Financial control data)</b>											
Personnel		80.8	91.3	119.4	153.2	175.3	194.8	212.0	259.9	285.1	174.6
<i>Execution rate</i>		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	1.00
Operating expenditures		34.9	34.8	61.2	76.7	98.8	87.3	114.4	11.3	127.7	71.9
<i>Execution rate</i>		84.0%	72.2%	110.4%	109.3%	106.5%	102.8%	110.7%	9.4%	80.3%	87%
Transfers		20.7	31.6	135.6	195.2	221.2	202.7	379.3	69.0	244.4	166.6
<i>Execution rate</i>		37.3%	59.3%	130.2%	155.1%	108.4%	100.1%	107.8%	18.3%	72.9%	88%
Investment Budget		257.5	268.4	251.1	246.8	296.3	392.3	551.8	308.8	682.6	361.7
<i>Execution rate</i>		97.7%	96.5%	97.5%	85.8%	85.2%	167.3%	117.6%	45.2%	86.6%	98%
Debt		42.7	21.3	41.6	64.1	93.4	79.5	58.4	0.0	140.3	60.2
<i>Execution rate</i>		100.0%	37.7%	39.7%	90.8%	109.3%	90.9%	86.5%	0.0%	79.9%	71%
<b>Total</b>		<b>436.7</b>	<b>447.3</b>	<b>608.9</b>	<b>736.0</b>	<b>885.0</b>	<b>956.6</b>	<b>1315.8</b>	<b>649.0</b>	<b>1480.2</b>	<b>835.0</b>
<b>Budget execution rate</b>		<b>90.2%</b>	<b>84.8%</b>	<b>94.9%</b>	<b>104.1%</b>	<b>97.8%</b>	<b>118.9%</b>	<b>109.3%</b>	<b>41.3%</b>	<b>84.9%</b>	<b>91.8%</b>

**Table 2A: Comparing original budget allocation and execution – MoAE and MoLH budget, 2003-2012**

Billions of FCFA	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
<b>C. MoAE&amp; MoLH Original (Revised) Budget</b>											
MoAE allocation	30.6	62.6	77.0	86.4	87.2	32.7	30.3	89.2	71.9	85.0	<b>65.3</b>
MoLH allocation	3.6	9.5	9.2	13.7	19.8	33.6	29.5	21.0	42.1	47.2	<b>22.9</b>
<b>Total MoAE and MoLH original budget</b>	<b>34.2</b>	<b>72.1</b>	<b>86.2</b>	<b>100.1</b>	<b>107.0</b>	<b>66.3</b>	<b>59.8</b>	<b>110.2</b>	<b>114.0</b>	<b>132.1</b>	<b>88.2</b>
<b>D. Executed MoAE &amp; MoLH Budget</b>											
MoAE Expenditure		11.1	16.4	28.4	40.2	28.0	23.3	59.3	19.0	66.5	<b>32.5</b>
MoLH Expenditure		2.5	2.7	2.8	9.2	9.3	8.0	13.3	5.3	17.2	<b>7.8</b>
Outside funding		30.61	55.41	38.16	35.69	31.81	30.43	18.87	26.80	35.38	<b>33.7</b>
<b>MoAE &amp; MoLH total expenditure</b>		<b>44.2</b>	<b>74.5</b>	<b>69.3</b>	<b>85.1</b>	<b>69.1</b>	<b>61.8</b>	<b>91.5</b>	<b>51.1</b>	<b>119.1</b>	<b>74.0</b>
<b>Rate of MoAE &amp; MoLH budget execution</b>		<b>61.3%</b>	<b>86.4%</b>	<b>69.2%</b>	<b>79.5%</b>	<b>104.2%</b>	<b>103.2%</b>	<b>83.0%</b>	<b>44.8%</b>	<b>90.1%</b>	<b>80.2%</b>

**Table 3A: Transfers to agencies supervised by the MoAE and MoLH, revised budget – 2003-2012**

(billions of FCFA)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average
<b>E. Agencies supervised by the MoAE &amp; MoLH</b>											
<i>ONDR</i>	1.6	1.0	1.3	1.7	1.7	2.2	1.8	2.2	2.0	2.6	1.8
<i>SODELAC</i>	7.6	0.1	0.3	0.5	0.6	0.6	0.6	0.6	1.4	1.5	1.4
<i>ITRAD</i>	0.9	0.3	0.5	0.3	1.1	1.3	0.9	1.0	1.5	2.0	1.0
<i>ONASA</i>	1.7	2.8	1.8	0.6	1.7	1.2	3.5	15.4	6.1	8.8	4.3
<i>Cotontchad</i>	0.0	0.0	5.0	13.1	21.7	0.0		0.0	0.0	0.0	4.0
<i>NFSP</i>	0.0	0.0	0.0	4.6	3.5	7.0	4.1	21.9	20.6	28.0	9.0
<i>IREDA</i>	0.1	0.1	0.3	0.2	0.5	0.5	0.5	0.5	0.5	1.1	0.4
<b>Total Budget for Supervised Agencies</b>	<b>11.8</b>	<b>4.3</b>	<b>9.2</b>	<b>21.1</b>	<b>30.8</b>	<b>12.8</b>	<b>11.3</b>	<b>41.5</b>	<b>32.1</b>	<b>44.0</b>	<b>21.9</b>

**Table 4A: Status of different sectoral ministries' personnel (MoAE & MoLH)**

<b>Ministry/Personnel Categories</b>	<b>MoAE</b>	<b>MoLH</b>	<b>TOTAL</b>
Political official (category 1)	11	10	21
Ministry cabinet personnel (category 2)	9	5	14
Civil servant (category 3)	1177	692	1869
Military (category 4)	96	11	107
Interns (category 5)	396	196	592
Contract personnel (category 6)	918	81	999
Laborers (category 7)	1242	228	1470
<b>TOTAL</b>	<b>3849</b>	<b>1223</b>	<b>5072</b>

**Table 5A: Summary of personnel status in the four sectoral ministries**

<b>Personnel by category</b>	<b>Staff</b>
Political official	21
Ministry cabinet personnel	14
Civil servant	1869
Military (lump sum)	107
Interns	592
Contract personnel	999
Laborers	1470
<b>TOTAL</b>	<b>5072</b>

**Table 6A: Summary of MoAE & MoLH personnel status**

<b>Sectoral Ministry</b>	<b>Staff</b>
MoAE	3849
MoLH	1223

**Table 7A: List of projects receiving outside funding**

Project/Program Name		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Lender	Disbursements (thousands of FCFA)									
PROJECTS UNDER MoAI SUPERVISION											
Food aid	France	491,968	2,478,000	2,361,445	2,315,528	1,836,679	655,957	1,967,871			1,000,298
Food security and rural development	WFP	6,87,500	687,500	-	-	-	-				-
Reserve funding for the prevention and reduction of catastrophes	WFP	247,500	247,500	-	-	-	-				-
Mamdi	AfDB, IDB, BADEA	4,600,401	1,832,460	-	-	-	-				-
Anti-Locust effort	France	200,000	-	-	-	-	-				-
PDRDB (Rural development project in the Biltine <i>département</i> )	ADF, WFP, Government, and Beneficiaries	201,419	518,302	853,286	933,771	922,022	1,013,985	1,812,688			-
PDIS (Salamat integrated development project)	IDB-OPEC	574,296									
PCVZS (Food and cotton production in the Sudanian zone)	AfDB	246,172	1,508,226	1,406,825	183,759	9,411					
PDRL (Rural development project in the Lac prefecture)	AfDB	2,595,246	4,962,351	4,573,259	2,555,358	2,193,183	7,500				
PVERS (Surface runoff improvement project)	AfDB, WFP	1,505,966	2,426,274	2,505,007	849,466	808,416	258,825				
Development project for 1000 ha in Ngouri	AfDB-Badea	242,503	95,327	98,553	483,911	1,175,737	1,970,701	52,998			
Support for the Rural Development and Capacity Building Strategy	France	237,344									
Integrated Rural Development Plan for	IDB	37,346	13,106	207,629	53,534		349,492	206,635			

Project/Program Name		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Lender	Disbursements (thousands of FCFA)									
BET											
PSANG II (Food Security Project in Northern Guéra),	IFAD	487,936	666,045	706,147	1,623,279	1,310,931	771,769	61,028 1,441,833			
Food Security Project in Northern Guéra (PSANG II)	WFP						10,000				
Food Security Project in Northern Guéra (PSANG II)	IFAD						45,343,683				
Doum-doum Rural Development Plan	BADEA	784,857	786,802	22,750							
PRODABO	Germany	1,704,140	1,704,140	1,502,002	1,549,535	1,615,000	2,042,144				
PRODALKA	Germany	1,751,195	1,926,401	1,508,315	1,741,455	1,620,000	1,520,000	1,341,911			
Support project for the development, program creation, and monitoring of rural policies in Chad	France	60,000									
PSAOP (Support project for agricultural services and producer organizations)	IDA	169,194	3,220,011	2,594,404	7,987,158	1,500,000					
PDR Kanem (Kanem rural development project)	IFAD	64,501	271,865	265,538	236,195	758,304	400,802	218,086			
Support for Scientific and Agricultural Research	France	372,151	276,000	484,752	432,932	35,642					
RENCAR (Rural capacity building in Chad)	France	58,333		590,361	383,735						
Biltine-Ennedi Trail Rehab & Anti-Erosion Efforts	SWITZERLAND	524,400	1,048,800	316,358							
Agricultural Services	IDA	930,670									
Ecosystem-integrated Community management	IDA	115,265									

Project/Program Name	Lender	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
		Disbursements (thousands of FCFA)									
Tandjilé Ouest, Logone, Mayo Dallah, Kabbia, and Mont Illi Regional Development Program	SWITZERLAND		244,879	146,111	126,775						
Ennedi Regional Development Program	SWITZERLAND		387,817	446,536	213,784						
Cotontchad Inputs	IDB		4,450,334								
Support for Agricultural Projects	Taiwan		750,000								
Anti-locust efforts in Sahelian countries	EU, FAO, UNDP, and France		863,683								
Barh el Gazal & Kanem Regional Development Program	SWITZERLAND		294,926	234,224	315,828						
The Africa Emergency Locust Project	IDA		565,540	916,825	591,390	818,492	418,245	514,824			
Barh Köh, Mandoul, and Lac Iro Regional Development Program	SWITZERLAND		330,244	227,986	90,400						
PAEPS, PSSP, and RENCAR support project for sectoral political leadership	France		1,370,000								
Biltine, Assoungam, and Ouaddai Regional Development Program	SWITZERLAND		400,805	290,347	282,903						
Batha E/O and Fitri Regional Development Program	SWITZERLAND		346,303	274,263	87,554						
Strengthening local small cotton producers committees and organizations in Chad (CTRC)	IDA		100,167								
Rural Development	UNDP		5,173								



Project/Program Name		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Lender	Disbursements (thousands of FCFA)									
Program of Micro Projects (PMR)	EU		519,000	92,249							
Arada-Ennedi, Regional Development (phase 1/2)	Switzerland		305,900								
Batha, Regional Development	Switzerland		349,600								
Biltine, Regional Development (phase 2/3)	Switzerland		349,600								
	Switzerland										
Logone, Regional Development (phase 2/3)	Switzerland		262,200								
	Switzerland										
Moussoro, Regional Development (phase 2/3)	Switzerland		305,900								
	Switzerland										
Moyen Chari, Regional Development (phase 2/3)	Switzerland		362,200	145,855							
	Switzerland										
Support for APICA office in Sarh	Switzerland		87,400	98,461							
Batha Rural Development Project (PRODER-B)	IFAD			38,250	400,000	141,532	389,628				
SODELAC Technical Assistance	BADEA			4,165							
Regional Development Program with Partners	SWITZERLAND			1,370,426							
	SWITZERLAND										
National Food Security Program	WFO/GOVERNMENT			1,550,000							
Rehabilitation of Plot C in Nya	Taiwan/Government			149,299							
Natural Resources Management Project in the Sudanian zone (PGRNZS)	IDB/ADF/BADEA			340,935	515,898	688,334					

Project/Program Name		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Lender	Disbursements (thousands of FCFA)									
Natural Resources Management Project in the Sudanian zone (PGRN)	ADF						231,872	600,000			
Natural Resources Management Project in the Sudanian zone (PGRN)	BADEA						31,258	275,335			
Natural Resources Management Project in the Sudanian zone (PGRN)	IDB						303,082	225,653			
Natural Resources Management Project in the Sudanian zone (PGRN)	FAD						347,275				
Natural Resources Management Project in the Sudanian zone (PGR )	BADEA							16,317			322,920
Natural Resources Management Project in the Sudanian zone (PGRN)	AfDB/FAD/TAF										1,153,798
Spirulina Project	EU				80,971	487,584					
Support for Cotton Industry Reforms	EU				14,983	90,229		373,712			
Study and Capacity Building Fund and Strengthening PP 4-5 (AFD)	France				436,048	91,833	400,260	373,712			
Rural Roads in Abéché Goz Beida	SWITZERLAND				338,223						
Biltine Ennedi Capacity Building Program	SWITZERLAND				299,061	25,700					
	SWITZERLAND										
Rural Development Program -Cotton	France				232,005			25,068			
Miscellaneous ( <i>Programme Animation Réseau</i> and TA)	France				118,072	4,132	50,683	100,996			
Rural Development (and Food Security) Program	France						244,350				
Support project for grain seed production in the Sahelian zone	IDB						225,000	439,930			
Multinational Program to Improve Competition in the Cotton Textile Industry	ADF						44,950	276,000			403,429

Project/Program Name		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Lender	Disbursements (thousands of FCFA)									
Information System Project on Rural Development and Land Improvement (SIDRAT)	EDF/EU						407,569				
Food Security Program (ECHO)	EDF/EU										8,527,441
Support for Strengthening Food Security in the Sahel and the East	EDF/EU										5,386,248
Chad Program -WFP	WFP										7,086,600
Support Project for Agricultural Production in Chad	IDA/WB										1,367,219
NFSP Round Table Preparation	AfDB/ADF/TAF							1,175,493			11,683
Support Project for the Gum Arabic Industry (PAFGA)	EDF/EU										771,027
Hydro-agricultural improvements in Bahr Linia	France										239,942
Support Project for Rural Development in Guéra (PADER-G)	IFAD										600,000
Support Project for Rural Development in Guéra (PADER-G)	IFAD							138,000			240,000
Support Program for Local Development II (PADL II)	EDF/European Union							846,715			2,091,025
Food Security Project in Northern Guéra (PSANG II)	BSF (Belgian Survival Fund)							846,715			
<b>PROJECTS SUPERVISED BY THE MoPDAP</b>											
Milk Industry	France	125,880	65,000								
PSSP (Pastoral Systems Sustainable Management Project)	France	393,887						3,509,744			
PASEP (Support Project for the Pastoral Livestock System)	AfDB/ADF	859,025	1,624,054	2,102,807	2,119,585	798,279	1,346,917	3,509,744 145,926			
Support Project for the Pastoral Livestock System (PASEP)	OPEC										
Support for the Livestock Sector		334,373									

Project/Program Name		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Lender	Disbursements (thousands of FCFA)									
	France							840,315			
Support Project for the Pastoral Livestock System (PASEP)	BADEA						219,170				
Assistance Project in Preparation for the General Livestock and Agricultural Census in Chad (RGEA)	FAO			130,022				363,934			
Support Project for the Cattle Industry - meat, leather (PAFIB)	EDF/EU						176,496				671,092
Support Project for the Development of the Animal Industry in Chad (PADIAT)	BDEAC										1,000,000
Rural, Pastoral, and Transhumance Infrastructure Project (PIRPT)	BAD/FAD/TAF										319,146
Rural, Pastoral, and Transhumance Infrastructure Project (PIRPT)	BAD/FAD/TAF										255,763
Livestock Action Project	EDF/European Union										564,633
<b>PROJECTS SUPERVISED BY THE MoEF</b>											
Fishing Industry Development Project (PRODEPECHE)	FAD/BADEA/GOVERNMENT			217,000	154,187	617,723	1,357,410	1,913,626			1,541,135
Projet de Promotion de la Pêche Continentale et de l'Aquaculture en zone CEMAC (PPCA)	BDEAC										156,400
Project for Sustainable Development in the Lake Chad Basin								1,913,626	2,750,589	3,562,077	2,306,689
<b>MoEF Projects Subtotal</b>		<b>0</b>	<b>0</b>	<b>217,000</b>	<b>154,187</b>	<b>617,723</b>	<b>1,357,410.2</b>				<b>4,004,225</b>
<b>Projects Supervised by the MoW</b>											
Pastoral and Village Hydraulic Project in Batha	Badea Fkdea										
	Badea	760,287	812,147	595,679	169,000						
Pastoral Hydraulics B E T 2	France	270,728	201,000								
Pastoral Hydraulics – Central and	France		2,624,000	1,913,949	2,569,047	1,331,59					1,020,90

Project/Program Name		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	Lender	Disbursements (thousands of FCFA)									
Eastern Chad						2					0
Pastoral Hydraulic Project in the Sahelian Zone (PROHYPA)	IFAD							1,932,000			160,000
Access to Drinking Water and Support for Sectoral Policy	EDF/EU							227,198			
Support Project for the Drafting of a Water Charter	FAD							227,198			
<b>PROJECTS SUPERVISED BY THE MINISTRY OF INFRASTRUCTURE</b>											
HIMO Road Maintenance and Restitution											
	KFW	997,557	390,912								
Rural Road Construction Project in the Salamat Region (51 km)	IDB					120,040					
							219,892				
Paving Project for the Koumra-Sarh road (110 km) and Improved Roads (111km)	FAD							219,892			
<b>OTHER PROJECTS</b>											
Other projects		7,980,193	12,375,197	6,877,175	4,932,310	12,487,910	14,656,544	18,872,319	26,801,352	35,383,477	
<b>TOTAL</b>		<b>30,612,233</b>	<b>55,413,091</b>	<b>38,159,195</b>	<b>35,690,492</b>	<b>31,805,705</b>	<b>30,426,389</b>				<b>45,105,874</b>

**Table 8A: List of agricultural projects (revised budget)**

List of Projects/Year	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>List of Ministry of Agriculture and Livestock projects</b>									
Support for sectoral policies	0.027								
Support for professional rural organizations	0.09								
Support for rural programs and policy monitoring	0.12		0.127						
Hydro-agricultural Improvement Project in Mamdi	3.593		0.2						
Development of Fruit and Vegetable Cultivation		0.025	0.105						
COTTON TEXTILE PROJECT					0.06	0.07	0.01	0.04	
BET Integrated Rural Development Project	0.79		1.31	0.873	0.10	0.294	0.69	0.771	
NGouri Rural Development Project			1.292	1.71	3.02	0.244	0.31	0.45	
Rural Development Project in Biltine Prefecture (PDRDB)	1.663		3.073	2.848	0.20	0.14	1.78	1.79	
DOUM-DOUM Rural Development	1.584		0.099	0.1					
NGouri Rural Development Project	0.614								
PSANG II	1.34		0.06	1.461	2.62	2.534	2.92		
PSANG III								2.529619	
PRODABO	0.713		0.75	1.26	0.01				
Surface runoff improvement project (PVERS)		2.115	4.705	2.222	0.65		0.93	0.577	
PSAOP	3.499	3.619	7.376	4.611	0.76		0.15		
Rural Development of the Lac Prefecture	7.015			4.625	0.03		0.04		
PRODER-K (Kanem)			0.05	1.25	0.10		1.42	1.371621	
PRODALKA	1.335		0.77	1.355	0.01				
Natural Resources Management Project (PGRN)		0.09	4.711	0.235	1.60		3.45	4.593991	4.426
Am-Timan/Haraze Road Project		1.142	3.139	0.05	0.10		0.06	0.505	0.0337
Hydro-agricultural Improvement Project (Barh El Gz)		0.121	0.08	0.05	0.05		0.02		
Improvement of Plot C		0.4		2.007	0.91		0.05		
Anti-Locust Efforts (AELP)			0.25	0.1	0.10		0.03	0.02	
PRODER-B (Batha)			0.04	0.654	0.10		1.12	0.894213	

List of Projects/Year	2004	2005	2006	2007	2008	2009	2010	2011	2012
Research and Development Guéra-Ouaddaï		0.11							
Rural Capacity Building -RENCAR		0.15	0.638						
Kolobo Agricultural Project				0.05	0.04		0.06	0.06	
UNPA Project							0.04	0.02	
Early Warning System (SAP)							0.06		
Education Fund							0.08		
Decentralized Rural Development Program in Mayo-Kebbi							1.24	0.518629	
Rural Development and Food Security Program							1.05	0.474128	
Miscellaneous Projects Program-PDAA							0.10	0.09	
Multinational Sector Competitiveness Improvement Program							0.51	0.40695	
Support Project for the Gum Arabic Industry							0.85	0.742806	
Spirulina Project							0.05	0.05	
Food Security Project							0.50	0.444	
Information System Project on Rural Development and Land Management							0.20	0.1475	
Emergency Action Project against Desert Locusts							0.79	0.79225	
Food and Cotton Production in the Sudanian zone (PCVZS)	3.374		0.299	1.878			0.70	0.7	
Support for the Cotton Team					0.10				
Support for Seed Farms		0.01	0.01						
DIAPER		0.125	0.15						
Food	0.68								
Project Against Endemic Pests			0.067						
Taiwan Agricultural Project			0.75						
Food Aid			1	0.8					
Support for Agricultural Research				0.285					
Special Program for Food Security (PSSA)				0.221					
Fianga Training Center				0.065					
Multinational Sector Competitiveness Improvement Program									0.04
PADER-G									0.4
Hope Project 2 (Maringa oleifera)									

List of Projects/Year	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>TOTAL MoAI Projects</b>	<b>26.44</b>	<b>7.91</b>	<b>31.05</b>	<b>28.71</b>	<b>10.56</b>	<b>3.28</b>	<b>19.21</b>	<b>17.99</b>	<b>4.90</b>
<b>liste des projets du MoPDAP</b>									
Livestock Fund	0.30				0.25				
Support for the Milk Industry	0.21	0.10							
Pan African Programme for the Control of Epizootics (PACE)	0.31	0.33	0.03						
Support Project for the Pastoral Livestock System (PASEP)	6.43	4.67	7.98		0.30	4.60	5.04	5.044722	2.87
Program to Fight against Bird Flu					0.66		0.85	0.85	
General Livestock Census							0.20	0.2	0.5
Securing Pastoral Systems		0.30							
Pastoral Water Sources		0.61							
Assistance in Preparation for the Census			0.12	0.19					
Support project for the Livestock Sector				9.77		0.20	0.30	0.3	
Support Project for the Cattle Industry							0.26		
Support Project for the Development of Animal Industries in Chad (PADIAT)						0.17	0.1		
Support Project for the Cattle, Meat, and Leather Industries (PAFIB)								0.263721	1.2
Transhumance Study Project									0.3
Rural Infrastructure Project (PIRPT)									
<b>TOTAL MoPDAP Projects</b>	<b>7.25</b>	<b>6.01</b>	<b>8.13</b>	<b>9.97</b>	<b>1.21</b>	<b>4.80</b>	<b>6.83</b>	<b>6.76</b>	<b>4.87</b>
<b>List of MoEF agricultural projects</b>									
Operation Accacia			0.014	0.014	0.0142				
Support for Water Policy		1.03					1.40		
Institutional Support for the Rural Sector and the Environment				0.38					
Gum Trees	0.23								
ALMY BAHIM Program-phase 2	1.13								
ALMY BAHIM Program-phase 3		1.23	2.00	1.31					
Kanem Pastoral Hydraulic Program	0.80								
Water Policy and Project	0.10	0.23							
Water Master Plan	0.30	0.35							
Fishing Master Plan	0.25	0.29							



List of Projects/Year	2004	2005	2006	2007	2008	2009	2010	2011	2012
Regional Strategy for Exploitation of the Nubian Sandstone Aquifer System	0.19	0.19							
Wildlife-Livestock Interaction		0.05					0.05		
Manda Biodiversity Project			0.04		0.00		0.00		0.02
PRDOPECHE			0.22	0.31		7.08	1.71	1.09	
Batha Pastoral Hydraulics			0.25	0.70					
Water Resource Management			1.00	1.00					
Projet de Gestion Durable des Arbres et Forêts dans le bassin d'approv. en bois énergie de la ville de N'Djamena (Sustainable Management of Trees and Forests in N'Djamena)			0.43	0.43					
Improvement of Fishing Product Quality			0.13						
Gum Arabic Industry Development Project							0.02	0.02	
SENAOURA National Park							0.02	0.05	0.05
National Tree Week						0.03	0.03	0.05	0.06
<b>TOTAL MoEF PROJECTS related to agriculture</b>	<b>2.99</b>	<b>3.36</b>	<b>4.09</b>	<b>4.15</b>	<b>0.02</b>	<b>7.11</b>	<b>3.23</b>	<b>1.21</b>	<b>0.13</b>
<b>List of MoW Agricultural Projects</b>									
Batha Hydraulic Project						0.04	0.23	0.2695	
Prodepêche (Fishing Industry Development)					7.21	4.00			
ALMY BAHIM Program- Phase 3					0.58	0.58			
Drinking Water Access and Support for Water Sector Policy					3.07	5.20		1.025	1.07
Nubian Sandstone Layer								0.02	0.03
<b>TOTAL MoW projects related to agriculture</b>					<b>10.86</b>	<b>9.82</b>	<b>0.23</b>	<b>1.31</b>	<b>1.10</b>
<b>TOTAL Agricultural Projects</b>	<b>36.68</b>	<b>17.28</b>	<b>43.27</b>	<b>42.83</b>	<b>22.64</b>	<b>25.00</b>	<b>29.49</b>	<b>27.27</b>	<b>10.99</b>

**Table 9A: Ranking of development partners according to their financial contribution to MoAE and MoLH projects**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average	%
	<i>Billions of FCFA</i>										
AfDB	5.2	6.5	6	2.7	2.2	4.6	7	9.9	13.1	6.4	16%
France	2.5	7.2	5.4	6.5	3.6	1.4	2.5	3.5	4.6	4.1	10%
Multiple lenders	5.6	7.9	7.5	4.8	3.8					3.3	8.30%
Germany	4.5	4	3	3.3	3.2	3.6	1.3	2.5	2.5	3.1	8%
EU		0.5	0.1	0.1	0.6	1.1	4.7	6.7	8.8	2.5	6.30%
WB	1	3.4	3.5	8.6	2.3	0.4	0.5	0.7	1	2.4	6%
BADEA	1.5	2.5	0.1	0.7	1.2	2.3	2.9	4.1	5.4	2.3	6%
IFAD	0.6	0.3	1	2.3	2.2	1.6	1.7	2.4	3.2	1.7	4.3%
Switzerland	0.5	5.1	3.2	1.8	0					1.2	3%
IDB	0	4.5	0.2	0.1	0.1	0.9	0.5	0.7	0.9	0.9	2.2%
Others	8.1	12.7	8.1	4.9	12.5	14.7	11.7	16.1	16.6	11.6	29.20%
<b>Total</b>	<b>30.6</b>	<b>55.4</b>	<b>38.2</b>	<b>35.7</b>	<b>31.8</b>	<b>30.4</b>	<b>32.9</b>	<b>46.7</b>	<b>56.1</b>	<b>39.7</b>	<b>100%</b>